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DEPARTMENT
OF
EXTERNAL AFFAIRS

BULLETIN

April - June

1941

OTTAWA

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EXTERNAL AFFAIRS BULLETIN

April - June, 1941

(A) PARLIAMENT

1. HOSTILITIES IN THE BALKANS, STATEMENT BY PRIME MINISTER, APRIL 7, 1941.

Over the week-end, as members are aware, the war entered on a new phase. At dawn yesterday, the German army and air force launched an attack on both Yugoslavia and Greece. Reports from the fronts are meagre as yet. They are sufficient, however, to make clear that attacks against both countries have been of the ruthless and barbarous character witnessed during the invasion of Poland at the beginning of the war and repeated again against Norway, the low countries, and France during the course of the spring campaign of 1940. They mark, in fact, the launching in deadly earnest of the 1941 military campaign. The attack on Yugoslavia was made by German divisions operating from southern Austria, from Roumania and from Bulgaria toward the Varder valley; that on Greece, by a combined German and Bulgarian onslaught down the Struma valley, directed at the capture of the Greek seaport of Salonika.

It appeared as recently as the 26th of March, that nazi Germany, by a process of intimidation, was about to add Yugoslavia to her already extended list of victims, thereby achieving through deceptive diplomacy and overwhelming intimidation, another bloodless victory. On the previous day at Vienna, the government of Yugoslavia in desperation had adhered to the tripartite pact, signed at Berlin on September 27, last year, by Germany, Italy and Japan, and agreed that Germany might make use of Yugoslav roads and railways in its projected attack on Greece. The pact, however, was never ratified. The mere announcement of its terms provoked widespread resentment in Yugoslavia. Popular opinion made itself so strongly felt that the council of regents, responsible for the country's betrayal, took refuge in flight. The young king, Peter II, assumed the throne, and a new government was formed which soon gained the support of every section of the Yugoslav people. It made clear the determination of the country to maintain its independence.

Because of this attempt by Yugoslavia at self-preservation, Hitler is now seeking to gain by violence what he failed to obtain by subtle means.

The courage of the Yugoslav nation in standing up to the armed might of Germany has electrified the world. It is the more heroic in that Germany within the past few months has gained all the advantages of a complete occupation of Roumania and Bulgaria, and is supported in her present onslaught by Italy and by her control of Hungary, each of which countries have had designs on Yugoslav territory. Italy has, in fact, already boasted of attacking Yugoslavia.

The nazi attempt to subjugate Yugoslavia, followed what has come to be the classic nazi pattern of aggression. Just as Czechoslovakia was half conquered by the occupation of Austria; just as Poland and Hungary were half conquered by the occupation of Czechoslovakia; just as France was more than half defeated by the invasion of the low countries; and just as the nazis hoped by the conquest of Norway and the occupation of France to outflank Britain; so the nazis expected that the outflanking of Yugoslavia by the occupation of Roumania and Bulgaria would serve to undermine the spirit of resistance in the Yugoslav people. The nazis expected that, almost surrounded, Yugoslavia would consider resistance hopeless and surrender without a struggle. The action of Yugoslavia in offering resistance in the face of well-nigh overwhelming odds has undoubtedly come as a surprise to Germany.

Throughout their troubled history, the Yugoslavs have given proof on a hundred battlefields of great military virtues and of a stubborn courage in the face of heavy odds. Their determination to resist this latest act of brutal aggression, to fight, and if need be to die in order to preserve their homeland and their hard-won liberties, opens a chapter, however tragic, which does the highest honour to their great traditions. A reversal of policy so sudden and complete as that witnessed in the case of the Yugoslav administration in the past few days is rare indeed, even in a generation which has become accustomed to kaleidoscopic changes. The Yugoslavs, however, to cite as examples only their immediate neighbours, had before them the fate of Hungary, of Roumania and of Bulgaria. One by one these countries in turn, having yielded to a succession of threats, first economic and then military, have found themselves in the end the victims of German aggression. Whatever form the so-called cooperation took, in practice it was discovered to mean the occupation of their territory by nazi forces, and a complete submission to nazi domination in economic, political and military spheres. All three countries

ceased to be the masters of their own destinies and became the tools of German policy. This fate the Yugoslavs were determined to avoid, if at all possible, at however great a cost.

The nazi attack is directed mainly at Greece as the key to the situation in the eastern Mediterranean. Having voluntarily met the attacks of Germany's ally for five long months, after having inflicted heavy losses upon the Italian invaders and driven them from Greek soil, Greece has now to face the force of nazi Germany herself, on another and more exposed section of her extended frontiers. It is a tremendous task: in terms of military equipment and power, one that would seem to be almost overwhelming. Greece, however, has revealed that a heroic spirit is more to be desired than all else. The Greeks have already risen to face their new enemy with indomitable courage and with the united will of the whole Greek nation.

The nazi attack on Yugoslavia and Greece is a major development. It is too early even to surmise what it may portend. We must be prepared to witness a stupendous conflict. We should realize, too, that the nazi design of conquest in the Balkans is not an end in itself. It is another attempt at outflanking positions which are obstacles in the path of world domination. Each country Germany occupies serves two purposes: the resources of the conquered people are added to her strength, and a new base is acquired for the next act of aggression. Germany is seeking the subjugation of the Balkan peninsula as a step in the outflanking of Britain's position in the Mediterranean.

In their struggle, the Yugoslavs and the Greeks will have all the support in materials and men that it is possible, in the circumstances with which they are faced, for Britain and the British commonwealth to provide. They will have, too, material aid from the United States under the terms of the lease-lend act.

The announcement from London of the presence in Greece of an expeditionary force of British, Australian and New Zealand troops makes clear that British support is already at hand. The word that British and South African forces have taken Addis Ababa, the capital of Ethiopia, gives promise also of the early release of additional British forces for employment in other theatres of war in the near east.

In the whole situation, however, nothing could be more significant than that at last the great nazi military machine has not been able to impose the nazi will by threats, fear and intimidation. That is in itself symbolic of ultimate victory. The feeling of hope and encouragement it affords should not, however, blind us to the realities of the situation.

The great nazi army is still intact, and still undefeated; it outnumbers the Greek and Yugoslav armies many times over. The aid which can be sent to these two countries is necessarily restricted. Moreover, the Balkan peninsula is not the only or even the major theatre of war. Indeed the opening of the Balkan campaign may well be the prelude to a great battle for the whole Mediterranean basin. The nazis had hoped that a bloodless conquest would secure their supplies from the Balkan region and bring them a step nearer to the consolidation of the whole of continental Europe as a nazi stronghold. We can all be profoundly grateful that in the nazi path, Greece and Yugoslavia have become active obstacles.

But the chief obstacle to nazi ambitions is still Britain, and Britain can afford to devote but a part of her effort to the Balkans. The threat of invasion of her own island has not passed; that danger will grow as the spring advances. The battle of the Atlantic has not been won and it is, as we all know, the most vital struggle of all. The unsettled state of France and the presence of the nazi army of occupation on the Spanish frontier, constitute a source of danger to Gibraltar and to British communications in the western Mediterranean. The situation in the far east also is by no means without its dangers.

We may be inclined to feel that the hostilities in the Balkans are very remote from this continent. The truth is that the outbreak in the near east, far from being remote, has in fact brought the conflict closer to us than ever. In a realistic calculation of this world struggle, it should not be forgotten that the subjugation by Germany of each new country amounts, in fact, to the addition of another slave state as a dependency of nazi power. In the nazi design for Europe—the so-called “new order”—Germany would be the workshop and arsenal of the European continent. Within her borders, or under her control, the important and highly technical industries would be concentrated, while the conquered territories became hewers of wood and drawers of water, ministering to the nazi war machine, and adding to its staying power. It is important that all should realize that, sooner or later, the successful accomplishment of this great nazi design, were such a thing ever to come about, would in fact result in world domination by the nazi power. Apart from what it would mean to the survival of Britain and the continuance of the British commonwealth, its effect upon this continent, in other respects, would quickly make itself felt. While it might not of necessity be followed by an attempt at military invasion of this continent, it would, through competition of standards, drive North America into economic isolation and to the use of totalitarian methods in seeking its survival. Nazi control of

Europe would in fact involve the outflanking of North America. It is, of course, inconceivable that so long as free men are able to resist, this dark day will ever come to pass.

2. SEVERANCE OF DIPLOMATIC RELATIONS WITH HUNGARY, STATEMENT BY PRIME MINISTER, APRIL 8, 1941.

Mr. Speaker, on March 5, I made a brief statement on the situation in the Balkans as it affected citizens of certain of the Balkan countries. Upon instructions from the government of the United Kingdom, his majesty's minister at Budapest has broken off diplomatic relations with Hungary. By reason of this action it is necessary for me to make a further statement.

There is no Canadian diplomatic mission in Hungary, and there are no Canadian government offices of any sort within that country. There has therefore been no occasion for any action by the Canadian government with a view to recalling Canadian government officials from Hungary. There are, however, two Hungarian consulates in Canada, and action is being taken with regard to them.

The breaking off of diplomatic relations does not necessarily bring about a state of war. On the other hand, it was not possible, even at an earlier stage, to overlook the fact that Hungary was contiguous to territory under German domination, and that Hungary's alignment with the axis, and the according to the enemy of privileges with regard to troop movements and like matters, was not consistent with neutrality. Hungary accordingly was made proscribed territory, and transactions with that country were subjected to the regime of the trading with the enemy regulations. These measures were precautionary, and consistent with the continuation of diplomatic relations. No steps were taken, however, to interfere in any way with the maintenance by the Hungarian government of its consulates within this country.

The action of the Hungarian government in enabling the enemy to use Hungarian territory as a basis for unprovoked and unwarranted aggression against Yugoslavia, as well as the action of the government of the United Kingdom in breaking off diplomatic relations, make it necessary to reconsider the position of the consulates. Arrangements therefore are already in progress to provide for the immediate withdrawal from this country of the Hungarian consulates, both at Montreal and at Winnipeg.

The position of Hungarians within this country is similar to that of Roumanians and Bulgarians. They are not, for the time being, being treated as enemy nationals, and, technically, a state of war does not exist with any of these countries. The overwhelming majority of the Hungarians in this country, including both Hungarian nationals and those who have become naturalized, are loyal and law-abiding citizens. They will not be disturbed so long as their conduct conforms to our laws and is consistent with the allegiance which, under the laws of Canada, is due from all residents, irrespective of their national status or racial origin.

3. WELCOME TO PRIME MINISTER OF AUSTRALIA, SPEECH OF PRIME MINISTER, MAY 7, 1941.

Mr. Speaker, the citizens of Canada were greatly pleased and, I may add, greatly relieved when they learned last night that the Right Hon. Mr. Menzies, Prime Minister of Australia, had landed safely at an airport in New York after his journey across the Atlantic by plane, completing another long lap of the journey which he has taken around two-thirds of the globe and which we all hope he will complete with safety in due season.

We who are residents of the capital were particularly pleased to have the privilege of welcoming Mr. Menzies this morning at one of our own airports. It is a part of the romance of the development of the British empire in these times that within a very few minutes after his arrival in Canada the Prime Minister of Australia was addressing on Canadian soil members of the air force of Australia and extending to them his greetings and good wishes.

To me personally it was a most welcome experience to find myself driving about a Canadian airport in an Australian car with the Prime Minister of Australia. I am sure that all members of this parliament are delighted that we have on the floor of the House of Commons to-day, upon invitation of His Honour the Speaker, Mr. Menzies in person. In a few moments I am going to ask the house to adopt a motion which my hon. friend the leader of the opposition and I have worked out together, and which we think would be appropriate for the occasion. Perhaps I had better read the motion immediately and then say a word or two in reference to it:

That the sitting of the house be suspended during pleasure for the purpose of welcoming in the chamber the Right Hon. R. G. Menzies, Prime Minister of the Commonwealth of Australia, and that the speeches

delivered on this occasion be inserted in the House of Commons debates and form part of the permanent records of this parliament.

In proposing this motion I do so with exceptional pride and pleasure in that it affords to us as their representatives opportunity to say to Mr Menzies in person many of the things that the people of Canada have been thinking about him and his country, and particularly about the armed forces of Australia, during these trying months through which we have all been passing. We welcome Mr. Menzies for himself. We know him well as one of the leading public men not only of the British commonwealth of nations but of the world to-day. We welcome him as an exponent of great causes, who is fearless in his public utterances, strong in his leadership and broad in his vision, and we are proud indeed to have him here as the one who, in the position of its prime minister, is representing the commonwealth of Australia wherever he goes, whether it be to the battlefields of north Africa, or southern Europe, to the United Kingdom, which he has just left, or our own dominion or upon a visit such as he is about to make to the United States. He speaks to people everywhere of the magnificent service which the Australian commonwealth, as one of the dominions of the British commonwealth of nations, is rendering the cause of freedom in the world struggle of to-day.

I do not intend to say more than a word, but I should like to say to the Prime Minister of Australia how greatly we in Canada admire the part which Australia has played from the very commencement of this war, the part which he and the members of the government of Australia, the citizens of Australia and the armed forces of Australia have taken in the conduct of the war. It will come I believe as a bit of a surprise to us all to recognize the fact that to-day the armed forces of Australia are serving actively on no less than five continents of the world. They are serving on their own continent of Australia; they have served with great gallantry on the continent of Africa; they have served with equal gallantry and bravery on the continent of Europe—and may I say it would be impossible for any of us to begin to express the admiration which we hold in our hearts for the heroism of the men representing Australia in the battles to which I have just referred. They are also actively in service on the continent of Asia; their forces are to-day, some of them, at Singapore and the Malay States. We are proud to realize that Australian forces are also brothers in arms with our own airmen here in Canada at the present time. It has been a memorable experience to Canadian citizens, particularly to members of our air force, to meet here in our own country those who have come the long distance from Australia to participate in the great commonwealth air training plan

which we share in common. I would like to say to the Prime Minister of Australia that we have greatly welcomed the presence in Canada of the members of the air force who have come to us from his country.

I shall not add more except to say in a word, to Mr. Menzies that we hope he will carry back with him to his home dominion the warmest, indeed the affectionate greetings not only of the members of this parliament but of the people of Canada as a whole.

We are building to-day within what used to be exclusively termed the British empire not only a great British commonwealth but also a great British brotherhood. The presence of the Prime Minister of Australia side by side with the members of the parliament of this Dominion of Canada to-day is visible evidence to the world of the unity which is an outstanding feature of the war for all parts of the British empire. May he carry back with him the assurance, which I am certain he will not need, that so far as Canada is concerned we are joined with the other nations of the commonwealth, and particularly with the United Kingdom, in a determination to give the utmost of our ability, capacity and strength to the winning of the war for the greater freedom of mankind, and that our effort will be unflinching continued until victory itself is achieved.

4. ADDRESS BY RIGHT HON. R. G. MENZIES, PRIME MINISTER OF AUSTRALIA, IN THE HOUSE OF COMMONS, OTTAWA, MAY 7, 1941.

Mr. Speaker, this is an atmosphere in which at one and the same time I feel a perfect stranger and yet at home; a stranger, because if your parliamentary rules are the same as our own, sir, I believe that is my exact technical description. But as nobody has drawn attention to the presence of strangers in the house, which is an unkind habit in which we occasionally indulge in Australia, I am here being accorded, as I fully realize, the greatest honour that a British parliament can pay to any man.

I am very sensible of that honour. I am very sensible of the fact that it is paid to me as the representative of a great dominion which, like your own, has pledged to this struggle everything that it has. So that when I acknowledge your very generous words I want you to feel that it is Australia which is speaking to you, because I know that in what I shall say to you I speak for one hundred per cent of the people of my own country.

Impressions of Many Lands

I have been making a strange, eventful journey around the world, the kind of journey that one does not contemplate in time of peace but which seems to me of supreme value in time of war. In the course of that journey I have had the opportunity to pass through many countries. I have found myself one day discussing international affairs with a governor in the Netherlands East Indies; on the next talking to a British governor at Singapore; on the next talking to a prime minister of his own country in Bangkok; another day travelling across India, pausing every now and then, technically, I believe, to refuel, but in reality, as it seemed to me, to have the opportunity of meeting another man of our race, doing his work of administration and keeping the flag flying in his own lonely part of the world. I have found myself flying above the waters of the Persian gulf, above the date palms of Basra; and I hope the fact, of which I have been aware, that in three or four places which I visited trouble has since broken out, is no responsibility of mine.

In the middle east, in Palestine, Egypt and Libya, I had the supreme privilege of my life, that of following Australian soldiers over battlefields on which I believe they have immortalized their name. At a great naval base in the Mediterranean I had the opportunity of seeing ships and men of the Royal Australian Navy; and I looked at them with pride, and, may I say, with great thankfulness. I saw some ships which, when this war broke out, were reputed to be so old that cynics declared they would never be able to travel across the ocean but would be best employed by being tied up in port, as though they were like wooden guns that might frighten the enemy if he did not examine them too closely. Some of those old ships have battered their way across the seas, and, in the Mediterranean, have destroyed submarines, taken part in great actions, and, I believe, upheld the reputation which for centuries has been maintained by the Royal Navy.

I found myself travelling across Africa, going into British settlements which I knew only by name and which I had never expected to see. Everywhere on that long journey, which was not without its occasional perils and excitements, I found reason to thank God for the race to which I belong. We are, if I may use the expression collectively as to the whole of the British peoples of the world, a curious people, as any other race will admit. We are not without our faults; I dare say we are not without some unpleasant attributes. I assume that we have them. I know my friends have always been able to discern them very clearly in me, and no doubt you have friends who perform the same kind office

for you. But these are merely superficial things. This war, and the events leading up to it, have shown that in respect of moral fibre there is no degeneracy in the race to which we belong.

The Grecian Campaign

Recently it was the honour and privilege of Australian and New Zealand troops to take part in what some people might describe as the ill-fated expedition to Greece. I have never been able to see it in that sense. Greece is a country which in this war has shown just the same iron quality as that which we associate with our own people. Greece, one of the smallest of the powers of Europe, has earned, I believe, an undying place in our affections and our respect, because she was not prepared to take two minutes of her time in calculating the odds against her. She said, "This is our home; this is the home of our fathers; this is the home of all those things that we believe in, and we shall defend it to the end." There was no business bargaining about the Greeks; there was no nice balancing of pros and cons. There was no disposition on their part to say, "Well, as we cannot win, let us make the best kind of deal that we can." Their reply was instinctive; the world has heard it, and the world will never forget it.

I am entirely unable to understand the point of view of any man in whom British blood, from any of its derivations, may flow, who would turn his shoulder upon the Greeks in their struggle, or who would wrap his gown about him and pass by on the other side. We are not made that way. If as a result of their decision Greek soil has been enriched with the blood of young men coming from a very distant part of the world, coming as representatives of the youngest civilization to the aid of the oldest, then who shall say that that, properly understood, is a tragedy in our history! I believe on the contrary that it is one more proof that there is something in us—I say it with just pride, and not in a spirit of boasting—something in us which is the spark of life; and it is for us to tend it, it for us constantly to give it its opportunity of doing its illuminating work in the world.

British Commonwealth Stands United

Then, sir, what shall I say about Great Britain? I saw in Egypt, in Libya, in Palestine, thousands of young men of my own country. With one accord and almost in one voice they said to me, "Take to the people of the old country our love, our respect, and our resolve that we shall stand by them." I could never have made in Great Britain a speech that

meant anything had I not been reinforced in mind and spirit by that which I found in the middle east, by that fire which I found burning in the people there. So I was able to say on behalf of my own people—and I am quite sure, as I said in London, I could say it on behalf of the people in every British dominion—that so long as these dominions stand, Great Britain shall not fall.

When one has spent a few weeks, Mr. Speaker, in a beleaguered country like Great Britain, one is bound to be asked, "What is it that you have taken away with you? What is your vivid impression of this place?" It is not an easy question to answer. One collects many impressions all round the world. But the answer I always come back to is this: that if there is one thing which inspires anybody who journeys around the world at a time like this it is the glorious feeling of the utter and devoted unity which exists throughout the whole of the British empire. If it is the desire of our enemy to divide us and to conquer us, then we may tell him now that he has failed.

The Courage of Britain

Why do I say this: Well, I have every reason for saying it. I do not wish to transgress upon your hospitality, but I do want to say a few words to you about the almost overpowering reason I have for that belief. I found it not in palaces, not in cabinet rooms, not even in houses of parliament—though it exists in full measure in all those places; I found it in the ordinary streets and lanes of Great Britain. I found it in slum streets where hundreds of houses, side by side, had been beaten down, and where thousands of people had lost their lives. I found it where you would have expected that a veritable pall would have settled upon life. Wherever I went I found that the person who in a material sense had the least to lose was the most valiant in his resistance and his endurance.

Those who judge people by their size, by their shape, by their colour, by their capacity to win races or to play games—those who judge them by any of these superficial signs can never adequately understand the magnificence of the people of Great Britain. I have gone through working areas of industrial cities, and I have seen there men who, on a superficial judgment, would have been dismissed as almost negligible—sometimes little men, sometimes odd-looking men, sometimes men who appeared to be underfed. I have seen in these places women—toil-worn, with none of the advantages and none of the graces of life; they would have been dismissed by thoughtless observers as submerged people. But I have found in them the spark of courage shining as brightly as it burns in the heart of any hero on the field of battle.

The Spirit Within Us

If there is one thing that demonstrates our unity, it is the spirit that we have in us. I am thankful to say, sir, that it is the spirit which exists in every stratum of our society, in every political group, in every community. I know that it is the practice of the enemy, who lays his snares for the minds of the unwary, to seize upon any point of difference or any point of politics, to magnify it and say, "Ah! here you have the proof that these people are divided." But in my own country—and I know, too, that it is true of Canada—when the war broke out there was not a general view, not a majority view, but a unanimous view. It was not a unanimous view that this was the kind of war that it would be pleasant to win, that it would be satisfying to win, but a profound belief that this is a war which must be won because it is a holy war. So I should like to say to the enemy, if he had ears to listen, that he must never mistake as a proof of disunity the exhibition of freedom which you find in any British parliament. It is our great pride that even at this time, at this most critical hour in our history, the King's writ still runs in our courts, the King's parliament still sits in his various dominions, and the King's citizens still are able to stand untrammelled in their places and offer their views with no responsibility except for the good of their country and the judgment of their conscience. We are united, sir, in spirit, and I believe that we are united in spirit because we are united in liberty.

It is a very great honour indeed for me to be able to stand here and bring to you, members of this great parliament in a great dominion, a message from my own people of complete and unlimited brotherhood. I shall take back to them a very vivid picture indeed of what I have seen and what I have heard here. I shall be able to say to them that there is no disunity among the British dominions. I shall be able to say to them that that independence upon which we all in our several jurisdictions pride ourselves has been the sure foundation upon which an entirely united war effort has been put forward by the whole British empire.

No Sacrifice Too Great

Sir, it is not for me to say to honourable members of this house what their duty is. I am of all men the least worthy, in addressing others, to preach to them about their duty. All I know is that there never yet has been a parliament in a free British country which did not do its duty. All I want to do is to say to myself, as I invite every man in public life all over the British world to say to himself day by day: "Am I so utterly convinced that I must put into this task everything I have that I will fail in no effort, that I will never spare myself

in whatever may be necessary to achieve victory?" I do not need to say to you, but I must say to myself and repeat it constantly, that nothing else matters except that when this war is over we should live in a free world, in the kind of world in which we want to live.

What does it matter if we come out into that world bankrupt? What does it matter if we come out into that world with lower standards of material living than we have now? What does it matter if in that world the rich are not so rich? What does it matter if in the last resort the business of statesmanship in that new world becomes the business of sharing justly a new and honourable poverty? These things do not matter. The only thing that matters to free men is that the policies under which they live shall be the policies which they themselves have devised as the representatives of their own people.

Sir, I apologize for inflicting upon honourable members these statements of obvious truths. My only apology is that the war is being fought for obvious truths, and this is a fact which we should do well to keep constantly before our minds.

5. *CANADIAN ARMAMENT PRODUCTION, STATEMENT OF MINISTER OF MUNITIONS AND SUPPLY, JUNE 11, 1941.*

One year ago armament orders in Canada totalled less than \$60,000,000. War production consisted merely of a few types of shells, together with a modest output of small arms ammunition. During the past twelve months we have built up a gigantic armament industry in Canada. Over \$400,000,000 has been spent in constructing crown properties for the manufacture of shells, guns, tanks, automotive equipment, bombs and machine tools. Total war orders placed in Canada to date exceed \$1,700,000,000.

To-day we are turning out Bren machine guns in great quantities; trench mortars are being turned out by a plant in one of the smaller manufacturing cities of Quebec; two types of anti-aircraft gun barrels are in substantial production, and both types of complete anti-aircraft guns will be in production by September; 500-pound aerial bombs are being manufactured and filled in our own shell-filling plant; naval anti-aircraft gun mountings, highly intricate pieces of equipment involving the manufacture of 2,000 separate parts, are in production. To-day I can tell the house that Canada has already produced her first 25-pounder artillery gun, and this gun has passed all its firing tests. Before this month is out, these guns and carriages will be produced in considerable numbers. I can also announce for the first time that in another plant our production of 2-pounder guns has been commenced, and that the first consignment

of these guns is being shipped overseas. This month has also witnessed the initial production of depth charges and mines.

A week or two ago Canada produced her first infantry tank, and this production is rapidly stepping up to considerable volume. Before the month is over, we shall have produced our first Canadian-made cruiser tank. It may be of interest to mention here that whereas the United States, Great Britain and Canada united to produce each its own version of a common type cruiser tank, Great Britain has already adopted the Canadian version, and the United States has asked for a sample Canadian tank for test purposes, with the likelihood that United States will also adopt the Canadian design.

Canada is now producing small arms ammunition at the rate of many hundreds of million rounds annually. We are also producing ten different calibres of shell, at the rate of millions of rounds a year. We are also producing the explosives required to fill these shells, together with cartridge cases, primers, fuses and all the shell components. Hon. members will appreciate the magnitude of the job when I state that each month we produce about 25,000,000 individual parts of shells. These shells are being produced in Canadian plants.

A new government plant has recently poured the first optical glass ever produced in Canada, and is in substantial production on optical and other instruments, and on secret radio devices. We are also manufacturing anti-submarine nets and equipment and mine-sweeping gear. By September we shall be in substantial production in practically every type of gun used in this war, from rifles to the largest type of anti-aircraft guns.

A year ago Canadian orders had been placed for some 9,000 automotive war vehicles, of which less than one-third had been delivered. To-day we have already delivered over 120,000 vehicles, and still have on order another 80,000 vehicles. The automotive industry is also delivering universal carriers in substantial quantity.

A year ago Canada had a small production of explosives from existing plants, and one major explosives plant was under construction. To-day nineteen plants are either in operation or nearing completion, involving a programme of \$110,000,000. Ten of the nineteen plants are already in operation, and in another month the entire programme will have been practically completed. To give hon. members an idea of the physical size of this programme, I may say that several of our major plants each occupy an area of from one to two square miles. Our output of military explosives for this year will exceed the entire output of Canada during the period of the last great war.

A year ago our aircraft industry was turning out about two aircraft a week. To-day the industry is producing more than forty planes a week, of which about twenty are fighting craft, and the remainder, training planes. The industry is also servicing aeroplanes and engines used in the air training schools, which is in itself no small project.

A year ago Canada had converted a few smaller vessels to naval use, and ship contracts had been placed to the extent of about \$50,000,000. To-day, of eighty corvettes on order, fifty-nine have been launched. Of the sixty mine-sweepers on order, twenty-four have been launched. Three merchant vessels have been converted into auxiliary cruisers, and twenty-seven other boats have been converted to naval needs. In addition, we are building twenty-four patrol vessels and twelve mine-sweepers of a special type. Work is under way on a cargo vessel programme, involving an expenditure of over \$200,000,000. We have also in progress a substantial small boat programme. Seventeen major shipyards and forty-five smaller shipyards are occupied on this programme. The major shipyards are being substantially enlarged to accommodate the cargo vessel programme.

Our industrial expansion and other war activities have involved a very large building programme. My department has placed construction contracts involving an expenditure of over \$120 million for the erection of some 3,000 buildings. More than 100 aerodromes have been constructed.

We Canadians are accustomed to think of Canadian industry as being on a small scale compared with those of Britain and the United States. We need have no inferiority complex in the matter of armament plants. To illustrate, we have in Canada the largest factory in the world producing machine guns. We have the largest plant in the English-speaking countries producing field artillery, and this is the only plant anywhere manufacturing field artillery from scrap iron to the finished product. One of our government arsenals has the highest output of small arms ammunition in the English-speaking countries. Our chemical and explosives plants are among the largest to be found anywhere. Our war production has been organized on a vast scale, but we have not overlooked the small shop. Our "bits and pieces" programme has brought work not only to the small commercial machine-shops, but to machine shops built for the private use of newsprint, mining and other domestic industries. We are constantly in search of new productive capacity, and if any has been overlooked, my officers would like to be advised of it.

To sum up the situation, I think we can be reasonably satisfied with our armament programme. Generally speaking, the plants have come into production as anticipated. I had thought that we would reach our

production peak this summer, but as the months have gone by we have been called upon to assume additional responsibilities for new types of armaments. So far as we can see now, we shall still have an expanding programme running into the spring months of next year. I may say, however, that to-day production is up to any anticipation that I have ever had, taking the programme as a whole, and I believe that Canadian industry is capable of still further expansion. Steps are being taken to bring our output up to the new maximum that we can now visualize.

6. *MOTION TO ADJOURN HOUSE TO NOVEMBER 3, MOVED BY PRIME MINISTER ON JUNE 12, 1941.*

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That when this house adjourns on conclusion of current business of the session it stand adjourned until November 3, 1941, provided always that if it appears to the satisfaction of Mr. Speaker, after consultation with his majesty's government, that the public interest requires that the house should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the house shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time.

This motion was agreed to on June 12, 1941, and the house was adjourned on June 14, until November 3, 1941.

7. *REVIEW OF RECENT DEVELOPMENTS AND OF CANADA'S WAR EFFORT, STATEMENT OF THE PRIME MINISTER, JUNE 13, 1941.*

With the consent of the house I should like to make the statement at once, as in all probability either to-day or to-morrow will be the last occasion on which there will be a favourable opportunity.

Whether it is better to fight and lose, or not to fight at all, is one of the oldest questions facing military strategists confronted with an enemy of superior strength. Reverses there are bound to be, and we must not lose heart when they come.

When we recall that up till a year ago Britain placed her main reliance on the French forces in Syria and north Africa and on the French fleet in the Mediterranean for the protection of the common allied interests in the whole Mediterranean basin, and then reflect that a year has passed since the collapse of France and no vital British position has yet been lost, it should give us cause, not for satisfaction certainly, but at least for thankfulness.

In an attempt to capture the changing phases of a world-wide war, it is obvious that the picture, if relieved by sunshine, must also be darkened by shadow. To-day there may be an encircling gloom—to-morrow there will be shafts of light.

I can but reiterate what I have previously said to this house and to the people of Canada. We shall only be helping the enemy and not ourselves if we are unduly elated by temporary success, or if we are unduly downcast by temporary failure.

No thoughtful man could ever have believed that this war would be over in a few months, or won by a short, sharp thrust. From the very beginning it was obvious that the volcanic forces let loose in the world were so mighty that a long, grim struggle was inevitable. It was bound to spread from nation to nation, from ocean to ocean, and from continent to continent.

The weak, the unprotected, and the perversely neutral were obliged to fall by the wayside. The final conflict was inevitably destined to be waged between the strong.

To-day, in what may be the bitterest chapter of the battle for freedom, state discipline fights self-discipline. The strongest men ever forged and hammered by a state meet on many fronts the strongest men ever tempered by the fires of liberty.

In this last chapter a few indubitable facts stand out in bold relief. The war will be won or lost not in Africa or in Asia or in the islands of the Pacific, but in the wide waters of the Atlantic, on the shores and in the skies of Britain. The Mediterranean is but an outskirt of the city of liberty. The battlements are in the Atlantic and the English channel. Freedom falls only if Britain falls.

Let me for a moment seek to balance our advantages and our disadvantages in the air, on the land and at sea.

In the air, the balance of machine power is gradually being adjusted. Increasing numbers of nazi bombers are being destroyed at night; British raids on German objectives have not only grown more effective, but no longer can the official silence of the usually over-loquacious German propaganada ministry hide their results from the German people.

In his Reichstag speech on May 4, Hitler was forced to promise still better weapons next year. This statement was the first indication given to the German people that the war would not, as hitherto forecast by Hitler, be ended this year. Thus are the prophecies of the violent put to confusion by free men.

The stream of machines continues to flow. If any further evidence were needed of the growth of the British and allied air power, it is to be found in aggressive activity in the Atlantic ocean, in the North Sea and in the Mediterranean. It is to be found too in the steady defensive activity that every day pursues its revenges against those who scatter indiscriminate murder and destruction upon British soil from the British air.

Everywhere in sky warfare a situation, not yet mastered, nevertheless improves from day to day.

On the sea the curve of loss has recently shown a decline. The shipping losses for May were considerably lower than they were for April. The attack of the *Bismarck* upon H.M.S. *Hood* was followed by relentless pursuit and swift retribution. The reality of British sea power remains. The catalogue of the heavy losses sustained by enemy shipping proves that, if regard is paid to the comparative available resources of tonnage, targets and striking power, the balance of effective destruction is not tilted as heavily as might appear upon the side of Germany and Italy.

Most heartening of all in the present situation is the attitude of the United States. The promises of President Roosevelt are not only being kept, they are being enlarged. The announcement by the President on April 29 that United States warships would be sent wherever the needs of hemispheric defence required their presence; the speeches of Mr. Stimson and Mr. Knox early in May; the passage by the congress of the bill authorizing the seizure of foreign vessels in United States waters; all these were encouraging signs of stiffening opinion. But the decisive point was reached by the President in his broadcast on May 27, when he made it plain that the United States would take whatever steps were necessary to ensure the delivery of American supplies to Britain.

Mr. Roosevelt did not minimize the seriousness of the battle of the Atlantic. His statement that British shipping losses far exceeded the present combined shipbuilding capacity of Britain and the United States marks a thoroughly realistic facing of the facts.

This continent is rapidly becoming not only the arsenal of democracy, but the shipyard of the freedom of the seas. Canada has mobilized all possible resources of men, material and suitable location to build ships. American and Canadian construction have begun the race against destruction. Every ship added to the Canadian navy helps to relieve the tremendous burden so gallantly borne by the British navy. Every new American warship, every new Canadian warship, helps the British

navy to detect and to destroy. Every new merchant ship is a guarantee of men, machines, munitions and food.

In connection with land operations, there is nothing which can be added to the closing remarks of Mr. Churchill made in his speech on Wednesday, June 11. If we eliminate the occupation of the Channel islands by German forces, at this time of speaking, after nearly two years of war, no enemy soldier has a foot on British soil. As Mr. Churchill said:

If anybody had said in June last, we should to-day hold every yard of the territories for which Great Britain is responsible in the middle east, that we should have conquered the whole Italian empire, that Egypt, Palestine and Iraq would have been successfully defended—anyone who said that would have been thought a foolish visionary. Yet that is the position at the moment.

Those briefly are the salient, they are the outstanding facts about tangible things.

As far as Canada is concerned, our own war effort in men and materials has steadily gained in momentum, in volume and in power. We are adding every day to the material and strength of the allied cause. Every month sees more Canadian troops, more Canadian sailors and more Canadian airmen added to the number of the defenders of Britain.

For some time past we have had an army corps of two divisions in the British Isles. As the corps commander, General McNaughton, has pointed out, they are helping to garrison the one vital citadel, the retention of which decides the war. We have made known to all the world that our forces overseas are ready to go, and that we are equally ready to have them go wherever their services may count for most. We are dispatching to Britain two additional divisions, one a third infantry division, the other an armoured division, also a tank brigade and many reinforcements. All will have been dispatched in the course of the present year. This is apart altogether from the forces we are retaining in Canada.

Ships of Canada's navy have, as all hon. members are aware, been engaged with British ships in the coastal waters of Britain. They are now taking an increasingly important part in the defence of the Atlantic coast and in the duties of convoy on the great passage way of the Atlantic so vital not only to the present of Britain but also to the future of Canada and of the United States of America.

Canadian airmen and Canadian squadrons, as all are aware, have from the beginning been taking their part in the battle of Britain. In the Royal Canadian Air Force we have to-day 55,000 men. Every day

that number is increased by graduates from the British commonwealth air training plan. The training plan this year will double the number of its enlistments. In Canada over fifty training schools, twenty manning depots and twenty recruiting centres are already in full operation. From this source is flowing to Britain an ever-growing stream of pilots, observers and gunners. They have crossed to Britain in thousands and will continue to cross in ever-increasing numbers.

We have recently sent from Canada to Britain one thousand radio technicians whose help has been invaluable and will be invaluable in the cleansing of the midnight air. More are following on.

We are making machines for Britain's armed forces as well as for our own. Canadian motor transport vehicles, machine guns, aircraft, corvettes, mine-sweepers as well as shells, explosives and chemicals are being sent in growing volume across the Atlantic. We are sending and will continue to send to Britain all the goods which ships can be found to carry, but we are not stopping there. We recognize the tremendous financial burden which the British peoples are bearing. That burden, as well, we are continuing to share in ever-increasing measure.

Without complaint our people are bearing the heaviest taxes in their history. In addition they are lending their savings to the government. I know that with loyal willingness they will lend and, if necessary, give, whatever is needed to strengthen and supplement the financial resources of the government of this country. The Canadian people are performing a magnificent task. They will not fail the cause to which we have pledged our all. They are producing, and will produce to the limits of their strength and genius, the material, tangible things, without which victory cannot be won.

There remain, also, as our sure strength and shield, the intangible things of the human spirit. The will to live, and to endure every hardship that all may continue to enjoy the blessings of freedom is a part of Canadian character. We in Canada have a veritable passion for human brotherhood; a hatred of hate; an intolerance of intolerance. Ours is the unshaken and unshakable purpose to reestablish upon the earth, now hideous with the blackened ruins of civilization, a freedom, wider and more deeply founded in social and international justice, than ever before in human history. All these intangible things are the very fibre and fabric of the national character alike of the British and Canadian peoples. Tried by many onslaughts, tested by many defeats, the inner fortresses of that character remain unbroken and unbreakable, impregnable, indomitable. Against their walls, the tides of tyranny and the waves of battle will beat in vain.

(B) WAR ORGANIZATION AND REGULATIONS

1. RELATIONS BETWEEN CANADIAN AND BRITISH FORCES AND COMMANDS, STATEMENT BY MINISTER OF NATIONAL DEFENCE, April 1, 1941.

Perhaps this would be the proper place for me to say a word in answer to what my hon. friend the member for Yale (Mr. Stirling) referred to yesterday afternoon with respect to the relations between the Canadian and British forces and the Canadian and British commands in the United Kingdom.

Let me say that, while stating perhaps the cold legal position, I want it clearly understood that it is the legal position, and that there is no necessity nor do I anticipate that there will be any necessity of our having to invoke it. There has not been the slightest difference of opinion with respect to matters of operations in which the Canadian corps or Canadian forces overseas are or may be engaged. The relationship between the Canadian and British forces and the Canadian staffs and the British staffs could not be more cordial than they have been, and the confidence which exists between them could not, I think, be greater.

Coming to the legal position, as was intimated yesterday afternoon, the Canadian troops are in the United Kingdom under the terms of what is known as the Visiting Forces (British Commonwealth) Act, 1933. That act so far as Canada is concerned is contained in chapter 21 of the statutes of 1933; and the same act, I understand, practically word for word, is on the statute book of the United Kingdom, although the sections are numbered differently.

As hon. members know, the intention of the act is to provide for the relationships existing between the so-called home forces, which in the case we are referring to are the United Kingdom forces, and visiting forces, which are the Canadian forces. Two different situations are visualized under the visiting forces act. That is to say, there is one status for the visiting forces, in which they are held to be, as the statute states, serving together with the home forces—that is, the Canadian forces are serving together with the British forces. There is another status in which the Canadian forces are said to be acting in combination with the United Kingdom forces.

Section 6, subsection 4 (a) of that statute provides for the terms of the status when they are serving together. Section 6, subsection 4 (b) provides for the status when they are serving in combination. To make

it very brief, the serving together status is more properly adaptable and applicable to the situation where visiting troops are training in the United Kingdom; the status of acting in combination is more adaptable and applicable to the situation where a visiting force may be called upon to engage in operations along with the United Kingdom forces. The difference in status is this, so far as command is concerned, that when troops are serving together, that is to say more or less on a training basis, they are under separate commands—that is, the home forces are under one command, the Canadian forces are under another command, and there is no common command over them; each is, if I may put it that way, autonomous in connection with its own particular organization and command. When troops are acting in combination, then, as the statute provides, his majesty may provide one officer to act in command of the combined forces.

That is the background of the relationship which exists in the United Kingdom with respect to the Canadian forces. We now come to what has been done in that respect.

The statute provides that the government by order in council may declare that the Canadian forces—I use that term interchangeably with “visiting forces”—shall be deemed to be serving together with the home forces, or the governor in council may declare that the visiting forces shall be acting in combination with the home forces. We have done both. We have passed an order in council, dated April 3, 1940—as a matter of fact it bears the significant and rather intriguing number, 1066—under the War Measures Act. It will be found in volume 2, page 47, of the volume of proclamations and orders in council passed under the War Measures Act. This order in council provides three things: first, that Canadian forces, military and air, in the United Kingdom or the continent of Europe or proceeding from one to the other, serve together with the United Kingdom forces; second, that Canadian forces serving on the continent act in combination upon their embarkation in the United Kingdom for the purpose of proceeding to the continent of Europe.

Third—and this is the important point before us now because we have no forces on the continent of Europe—the order in council provides that those parts of the Canadian forces, military and air, serving in the United Kingdom—those are our forces which are there at the present time—as may from time to time be detailed for that purpose by the appropriate service authorities as may from time to time be designated by the Minister of National Defence shall act in combination with the United Kingdom forces.

The forces in the United Kingdom are serving together. The Canadian forces are, under the general provision, serving together with the United Kingdom forces and are therefore under separate command.

That third provision of the order in council provides, in effect, that an officer designated by the Minister of National Defence may detail for the purpose of serving in the United Kingdom any portion of those forces to act in combination with the British forces in which case, as I stated a minute ago, by acting in combination they come under a combined command.

Following that through, the Minister of National Defence designated General McNaughton in respect of the Canadian corps; the senior combatant officer at Canadian military headquarters in respect of the troops under his command, and the senior combatant officer in command of any remaining troops in the United Kingdom in respect of forces under his command, to detail the forces or parts of the forces as they might think fit to act in combination with the British forces.

That gave authority to General McNaughton, if he so desired, to detail the Canadian corps, or, as it was then, the first Canadian division, to act in combination with the British forces. He did that. He has detailed the troops of the Canadian corps to act in combination with the troops of the United Kingdom. That is the situation at the present time.

The senior combatant officer at Canadian military headquarters has not, I understand, detailed the troops under his command to act in combination, because the troops under his command are generally speaking troops in training, troops at base units, and so forth. There are no other troops in Great Britain except those in the Canadian corps under General McNaughton and those under Canadian military headquarters. That brings the Canadian corps under the command of Sir Allan Brooke, commander in chief of the home forces, by reason of the fact that the Canadian corps has been detailed by General McNaughton to act in combination with the forces of the United Kingdom.

Parallel with that goes this, that under General McNaughton's instructions when he went there, he is directly responsible to the Minister of National Defence and, through the minister, to the Canadian government for the control of the forces under his command. I mention that so that I may indicate what the situation would be with regard to the troops when under Sir Allan Brooke.

The situation, if one were to visualize operations in the United Kingdom, is that Sir Allan Brooke would—I have not any doubt of this

—consult with General McNaughton, who is the commander of the Canadian corps and whose troops are acting in combination with the United Kingdom forces under Sir Allan Brooke, in connection with any operation in which the Canadian corps would be committed. I can say that that is done in practice. I can say that it is done on grounds of policy. I can say that it is done also because of the obvious military desirability of a commanding officer in chief consulting with the senior commanding officers of large bodies of troops under his command in connection with any tactical plans which are being made. That is the situation so far as the United Kingdom is concerned.

With regard to the troops going out of England, may I read a paragraph which I have under my hand and which sets out the situation more briefly and succinctly than perhaps I could state it.

As respects any question concerning the employment of the Canadian forces on the continent of Europe or elsewhere, the position is clear, namely, that the decision would rest entirely with the Canadian government. It was in accordance with this principle that the decision was reached last spring to employ Canadian troops in France. Since the change in the situation resulting from the German invasion of France and the low countries, no suggestion of any kind has been made to Canadian military authorities or to the Canadian government that its forces should serve beyond the United Kingdom, except in one instance when the British government requested and the Canadian government approved the dispatch of small detachments of Canadian troops to carry out special work at Gibraltar, of which the house has general information.

To sum up, the appropriate Canadian service authority has detailed the Canadian corps to serve in combination with the troops of the United Kingdom.

Second, the appropriate Canadian service authority can detail for service within the United Kingdom, but not for service outside, Canadian forces to act in combination. As I have said, General McNaughton has done that in respect of the corps, and General Montague, senior combatant officer at Canadian military headquarters, would have power to detail troops under his command.

Third, the appropriate Canadian service authority cannot authorize the embarkation of Canadian forces from the United Kingdom without the authority of the Minister of National Defence.

Fourth—and this comes by reason of the third clause in the order in council, P.C. 1066—embarkation for the purpose of proceeding to the continent of Europe automatically brings about serving in combination

because the order in council contains an express provision. In that case the question as to whether the Canadian troops are serving in combination is not left to the discretion of the general officer commanding, Canadian corps, but assuming that embarkation has taken place by reason of the approval and authorization of the Canadian government, then automatically upon that embarkation Canadian troops serve in combination with the troops of the United Kingdom on the continent.

2. JOINT DECLARATION OF PRIME MINISTERS OF CANADA AND POLAND, STATEMENT BY PRIME MINISTER, April 7, 1941.

I should like to place on *Hansard* a declaration of friendship which was made at the close of last week as a result of the visit to Canada, and to Ottawa in particular, of General Wladyslaw Sikorski, Prime Minister and Commander in Chief of Poland.

General Sikorski has come to this continent to visit both Canada and the United States on an important mission which relates to Poland's effort, assistance and cooperation in the present great war. As a result of General Sikorski's short stay in Ottawa, the following statement was signed by the general and myself on Saturday and later in the day was given to the press:

Ottawa, April 5th, 1941.

The visit of the Prime Minister of Poland to Canada has permitted a helpful interchange of views between the governments of Poland and Canada, and an examination of mutual problems arising out of the war. With profound pride we have reviewed the heroic resistance of the Polish nation against the enemy forces of occupation, and the contribution by land, sea and air of Polish and Canadian armed forces to the allied cause.

Arrangements have been completed for constituting a Polish armed force in Canada for service overseas. The Canadian government will give its full cooperation in the establishment of this force, which, after a period of training in Canada, will join the armed forces of the Polish nation.

We avail ourselves of this occasion to record the determination of the peoples of our respective countries to continue to share to the utmost of their strength with Britain, other nations of the commonwealth and our allies in the preservation and restoration of freedom. Already, we look beyond that horizon to the day when the joint efforts of all who love liberty may combine to bring into being a world order founded upon international cooperation, justice, toleration, and good-will.

3. INTEGRATION OF RESERVE AND ACTIVE UNITS IN CANADIAN ARMY, STATEMENT BY MINISTER OF NATIONAL DEFENCE, APRIL 8, 1941.

Some time ago, when the war appropriation bill was under discussion in committee, I made a statement with regard to the methods of enlistment, and I indicated at that time that I might take the opportunity to make a further statement. After that developed, questions were asked, and it seemed to me that the matter had been pretty carefully gone into and that a further statement was not necessary. I rise now only because of the fact that hon. members are going home for the Easter holiday and there was a report in the morning press with regard to a new plan respecting the integration of reserve and active units. I thought it might be due to the house and interesting to hon. members if I said just a word with regard to that matter and with regard to methods of enlistment.

The idea which seems to be abroad, that men are not needed for the army, is quite wrong. The fact that there has been so little pressure has helped, perhaps, to create that impression. As a matter of fact we have been enlisting an average of about 5,000 per month for the first three months of this year, and it is probable that between 5,000 and 6,000 will be needed each month under present conditions for the active army, to fill up and keep filled up and to reinforce the active units overseas and in Canada. The call has gone out for this month's quota. There will be room in practically every district for enlistment for all arms of the service. We look primarily to the reserve units to supply these men as their first duty. They can do their bit in no better way just now than in doing that, and it puts their training to practical use. Men not in the reserve units can enlist direct in the active army. All they have to do, as hon. members know, is to see or write to any recruiting officer.

Now I come to the plan. In connection with reserve units, we are endeavouring to see that local association is preserved, so that, as far as the needs of the service permit, men on active service will be with units from their own territory. In order to help obtain that objective a new plan has been worked out for "matching up", if I may use that expression, each unit of the reserve army with some unit of the active army from that same territory. That, we think, will help to foster the spirit of provincial and local pride and comradeship. We are thus trying to create a link between a reserve unit and an active unit so that the reserve unit in sending forward volunteers can feel that it has an associated unit as their definite destination. In this way, as hon. members will realize, the reserve unit will not have just the responsibility for furnishing reinforcements but it will have the credit and satisfaction of reinforcing its affiliated unit which represents it in the active army.

4. *COMPULSORY MILITARY SERVICE REQUIREMENT AFFECTING FOREIGN NATIONALS DOMICILED IN CANADA, STATEMENT OF PRIME MINISTER, MAY 1, 1941.*

Mr. COLDWELL asked the following questions:

1. Has any non-British country the right and power to enforce within Canada, acts, decrees, regulations, etc., made or issued by the said non-British government, ordering its nationals domiciled in Canada to undertake compulsory service in the armed forces of the said government?

2. If so, under what authority?

Rt. Hon. W. L. MACKENZIE KING: I should like to say just a word in regard to this question, to point out to the hon. gentleman who has asked it that the question really solicits a legal opinion. If we were to hold strictly to the rules and not establish a precedent which might be very embarrassing I think I would have to ask him to allow me to decline to answer the question. Questions on the order paper are for the purpose of eliciting facts, but not legal opinions or expressions of opinion with respect to theories or other matters. However this is a subject of general interest, and I believe it might be advisable on the whole to clarify what seems to be a matter of doubt in the minds of some. Therefore I shall give an answer. I should like it to be understood however that it must not be cited hereafter as a precedent for giving legal opinions. The answer to the question is as follows:

No non-British country has the right and power to enforce within Canada acts, decrees, regulations, et cetera, made or issued by its government, ordering its nationals domiciled in Canada to undertake compulsory service in its armed forces.

A foreign government, which has a legal system imposing compulsory military service on its nationals abroad, can, under existing international practice, provide for calling them up. Its representatives can bring the call to the attention of the nationals. They cannot exercise any compulsion within Canada in order to induce them to respond to the call.

The national of the foreign government can refuse to respond to the call, without incurring any penalties within this country. On the other hand he will not be able to embark on a ship flying the flag of his home country or enter its territories without subjecting himself to prosecution in his own country.

Under the Foreign Forces Order 1941, the forces of certain allied countries are enabled to maintain their own discipline and internal administration. For such purposes, they can arrest members of their own forces within this country and can call upon Canadian civilian and military police to assist them in maintaining their own discipline. The provisions

of the order, however, make it clear that the measures of compulsion do not apply to a person who, while in Canada, has been called up for service under the law of a foreign power and who has failed to comply with such call or to be enrolled in its service.

5. *CHANGE IN THE DEPARTMENT OF NATIONAL WAR SERVICES, STATEMENT OF THE PRIME MINISTER, JUNE 11, 1941.*

Mr. Speaker, I intimated some few days ago that before parliament adjourned I would have an announcement to make with respect to one or more changes in, or additions to, the ministry. I wish to state that the Hon. Mr. Gardiner has resigned as Minister of National War Services, in order that he may give his time exclusively to the work of the Department of Agriculture, of which for some years past he has also been the head.

This morning His Excellency the Governor General has approved of the appointment of Mr. Joseph T. Thorson as a member of His Majesty's Privy Council for Canada and as Minister of National War Services. Mr. Thorson will be sworn into office some time this morning. I need not remind the house that not in point of years but in time of service, the hon. member for Selkirk is one of the oldest members of the House of Commons, having been returned to parliament first in 1926, and again at the elections of 1935 and 1940. Hon. members, I believe, are also aware that in the last war Mr. Thorson served with the British expeditionary force overseas. He was in France for some time, and distinguished himself in service in that country.

The Department of National War Services Act, 1940, provides that the minister may, with the consent of the Governor in Council, coordinate the existing public information services of the government, and originate or employ other means in order that the same may be used in the most efficient way for the obtaining of the utmost aid from the people of Canada in the national emergency which has arisen.

An order in council has been passed under the act I have just mentioned, setting forth that it is expedient to provide for more effective coordination of radio broadcasting, film activities, and the promotion of tourist business in Canada, with other public information services of the government. Therefore, with the concurrence of the Minister of Munitions and Supply (Mr. Howe), the Minister of Trade and Commerce (Mr. MacKinnon), and the Minister of Transport (Mr. Cardin),

provision has been made under this act, and under the War Measures Act, for the transfer of some of these several activities to the Department of National War Services.

The powers, duties and functions conferred under the Canadian Broadcasting Act, 1936, with respect to broadcasting, and recently transferred to the Minister of Munitions and Supply, have been now transferred to the Minister of National War Services.

The powers, duties and functions of the Minister of Trade and Commerce, with respect to film activities, under the National Film Act, 1939, have been transferred to the Minister of National War Services.

The powers, duties and functions of the Minister of Transport, with respect to the promotion of tourist business in Canada, have been transferred to the Minister of National War Services.

The control and supervision of that branch of the Department of Transport known as the Canadian travel bureau have been transferred to the Department of National War Services.

Reorganization of the work of the Department of National War Services in the directions indicated will be entered upon actively and immediately as soon as parliament has adjourned.

6. *PROGRESS OF VICTORY LOAN, 1941, STATEMENT BY MINISTER OF FINANCE, JUNE 22, 1941.*

The Victory Loan 1941 passed the record of all Victory Loans of the last war in respect to the amount subscribed. Cash subscribed as at the close of business on June 21st totalled \$710,958,950, a cash subscription of nearly \$111,000,000 over the initial \$600,000,000 objective. This was announced by Hon. J. L. Ilsley, Minister of Finance, in reporting the success of the loan. Mr. Ilsley's statement proceeded:

"No fewer than 91,885 individual subscribers completed orders on Saturday for \$42,989,050. The cumulative total of subscribers at the close of business Saturday was 851,698. The number of subscribers on Saturday more than doubled the daily average for the campaign. All subscriptions duly recorded or postmarked before midnight Saturday, June 21st, will be accepted.

"To the total of \$710,958,950 in cash subscriptions must be added conversions amounting to \$95,875,650. Thus the grand total of cash and conversions at the close of business Saturday was \$806,834,600. The total amount subscribed exceeded even 1918, greatest of all the Victory Loans of the Great War when \$707,000,000 was subscribed.

"Counting cash and conversions together, approximately one person in every thirteen in Canada has subscribed to Victory Loan 1941.

"The huge total of individual subscriptions indicates beyond any question that there must have been a very large number of people of modest means who, in subscribing, actually made patriotic sacrifice. This support of hundreds of thousands of average citizens is a mainstay of the nation's war effort.

"Purely as a measuring-stick Victory Loan headquarters remarked that in Victory Loan 1919 subscribers there were only 795,463, as contrasted with 851,698 recorded thus far in 1941. In the 1941 Victory Loan these subscribers have offered nearly \$711,000,000. In 1917, 869,300 subscribers tendered \$566,000,000; in 1918, 1,140,057 subscribers offered \$707,000,000; and in 1919, the Victory Loan campaign brought in 795,463 subscribers and \$653,000,000."

The total of subscriptions to the ten-year maturity was \$631,641,600 and the total of subscriptions to the short-term maturity was \$175,193,000. It is expected that when the final tally is made, it will be shown that the short-term bonds sold amount to only about 21 per cent of the sales of the long-term maturity. This is regarded by national committee officials as an entirely desirable proportion. The figures above are not the final figures. Clear evidence of the response of Canadians in all walks of life is found in the fact that excluding large corporations and financial institutions, 844,000 individuals subscribed an average of \$350 each. The average subscription, even including corporations and financial institutions, is not more than \$950. Every province exceeded the objective set for it.

The following table shows the number of persons who subscribed in each province in proportion to the population:

All Canada	1 in 13 persons
Alberta	1 in 19 persons
British Columbia	1 in 9 persons
Manitoba	1 in 14 persons
New Brunswick	1 in 19 persons
Nova Scotia	1 in 16 persons
Ontario	1 in 9 persons
Prince Edward Island	1 in 27 persons
Quebec	1 in 22 persons
Saskatchewan	1 in 26 persons

(C) OTHER WAR MEASURES

1. *ESTABLISHING THE MERCHANT SEAMAN ORDER, 1941, ORDER IN COUNCIL P.C. 2385 OF THE 4TH OF APRIL, 1941. (CANADA GAZETTE p. 4074 OF MAY 17, 1941.)*

This Order makes provision to avoid delays in the departure of merchant ships from Canadian ports which are caused by crew difficulties. It provides for the establishment of Committees of Investigation consisting of representatives of the Department of National Defence for Naval Services, the Department of Transport, and the Royal Canadian Mounted Police empowered to board any ship and conduct an investigation of any seaman, and order his detention, pending full inquiry by a Board of Inquiry.

2. *AMENDING DEFENCE OF CANADA REGULATIONS, ORDER IN COUNCIL P.C. 2420 OF THE 7th OF APRIL, 1941. (CANADA GAZETTE p. 3679 OF APRIL 19, 1941.)*

This Order amends the Defence of Canada Regulations by providing that:

- (1) the provisions of Regulation 26A shall not apply to persons who are nationals of and were born in Czechoslovakia; and that
- (2) the provisions of Regulations 26B and 37A shall not apply to naturalized British subjects, who, at the time of their naturalization were nationals of and born in Czechoslovakia.

In all cases, Czechoslovakia is taken to mean that country as it existed on January 1, 1938.

3. *ESTABLISHING A CENTRALIZED CONTROL FOR THE ISSUANCE OF EXPORT PERMITS IN THE DEPARTMENT OF TRADE AND COMMERCE. ORDER IN COUNCIL P.C. 2448 OF THE 8th OF APRIL, 1941. (CANADA GAZETTE p. 3781 OF APRIL 26, 1941.)*

This Order establishes an Export Permit Branch in the Department of Trade and Commerce in order to centralize the control over the issuance of export permits for all products for which such permits are required.

It provides:

- (1) No person shall export any of the articles enumerated in Schedule one without first having obtained a permit.

(2) The Minister of Trade and Commerce may exempt from provision (1) above any specified article or articles exported to any part of the British Empire.

(3) No person shall export any goods to any country outside the Western hemisphere, other than to parts of the British Empire, without a permit. This prohibition applies also to the Colonies or possessions of France within the Western hemisphere (i.e. all land west of longitude 30° west and east of the International Date Line).

(4) Prior to issuance of such a permit, the Export Permit Branch of the Department of Trade and Commerce shall consult with the Board or Controller established to deal with the particular produce for which an export permit is applied. Provision is also made for consultation with the Advisory Committee in Economic Building. (Schedules listing products affected may be found in *Canada Gazette*, April 26, 1941, pps. 3782-3786.)

4. *GRANTING MOST FAVOURED NATION TREATMENT TO VENEZUELA, ORDER IN COUNCIL P.C. 2519 OF THE 15th OF APRIL, 1941. (CANADA GAZETTE p. 3681 OF APRIL 19, 1941.)*

Under Section 11 of the Customs Tariff, this Order provides as follows:

(1) Articles the growth, produce, or manufacture of Venezuela shall not, on importation into Canada, be subject to higher duties or charges than those levied on like articles the growth, produce, or manufacture of any foreign country.

(2) In order to secure the advantages aforesaid such articles shall be conveyed without transshipment from a port in Venezuela or from a port in a country enjoying the benefit of the British Preferential or Intermediate Tariff, into a Customs Port of Canada.

(3) This Order is effective as from April 9, 1941.

5. *FOREIGN FORCES ORDER 1941, ORDER IN COUNCIL P.C. 2546 OF THE 15th OF APRIL, 1941. (CANADA GAZETTE p. 4416 OF JUNE 14, 1941.)*

This Order makes regulations affecting the status of the foreign forces being recruited in Canada, and makes provisions similar to those contained in The Visiting Forces (British Commonwealth) Act, 1933, which makes

similar provision for British Commonwealth Forces in Canada, and in the Allied Forces Act, 1940, the United Kingdom statute which makes similar provision for allied forces in the United Kingdom.

6. *AMENDING DEFENCE OF CANADA REGULATIONS. (CONSOLIDATION) 1940—CONTROL OF LIGHTS, SOUNDS, AND TRAFFIC, ORDER IN COUNCIL P.C. 3962 OF THE 2nd OF JUNE, 1941. (CANADA GAZETTE p. 4400 OF JUNE 14, 1941.)*

This Order revokes Regulation No. 35 of the Defence of Canada Regulations, and substitutes a new Regulation which gives the Minister of Pensions and National Health authority to prohibit and regulate the display of lights, the emission of flames, sparks or glare, the making of noise and the regulation of traffic in any area within Canada as a measure for the Defence of the Civil Population.

7. *PROHIBITING THE SALE, DISTRIBUTION, OR PURCHASE IN CANADA OF FUEL OIL, BUNKER OIL, OR FURNACE OIL. ORDER No. 4, OFFICE OF THE OIL CONTROLLER, JUNE 24, 1941.*

This Order is made pursuant to the powers conferred on the Oil Controller by Orders in Council P.C. 2818 of June 28, 1940, and P.C. 1195 of February 19, 1941. This new Order replaces Order No. 2 of September 16, 1940, and prohibits the sale, distribution, or purchase in Canada of fuel oil, bunker oil, and furnace oil for heating or motive units not now requiring oil, and banning the installation of new oil-consuming equipment of any kind.

This Order does not apply to the use of fuel oil by the Government or its Departments; by any manufacturer who under agreement with the Government requires fuel oil for equipment used in processing products manufactured for the Government; by the Provincial Governments and their Departments.

The essential differences between the two rulings may be outlined as follows:

- (1) The new Order applies whether or not the oil is produced in or imported into Canada, or whether or not it is obtained from crude petroleum found in or imported into Canada. The original Order did not extend to domestic products. The broader ruling, it is felt, will spread the burden imposed by the war effort more evenly on the shoulders of all Canadians.

(2) In addition to prohibiting the sale of these petroleum products, the new Order also prohibits their purchase, except when authorized by the Oil Controller.

(3) Applying also to installations of oil-consuming equipment by householders and others requiring comparatively small quantities of fuel oil, the new Order does not contain the former exception in favour of equipment using not more than 4,000 Imperial gallons per annum.

(4) In addition to the prohibitions affecting purchase, sale or distribution of these products, installations of new equipment are now banned.

Replacements of oil-burning equipment are permitted, providing that these do not consume greater quantities of oil than the former equipment.

8. AMENDMENTS OF LIST OF SPECIFIED PERSONS WITH WHOM TRADING IS PROHIBITED.

(a) Proclamation of the 24th of March, 1941 of Revision No. 9. (Canada Gazette p. 3584 of April 12, 1941.)

(b) Proclamation of the 10th of April, 1941 of Revision No. 10. (Canada Gazette p. 3822 of April 26, 1941.)

(c) Proclamation of the 24th of April, 1941 of Revision No. 11. (Canada Gazette p. 4013 of May 10, 1941.)

(d) Proclamation of the 7th of May, 1941 of Revision No. 12. (Canada Gazette p. 4096 of May 17, 1941.)

(e) Proclamation of the 28th of May, 1941 of Revision No. 13. (Canada Gazette p. 4343 of June 7, 1941.)

(D) INTERNATIONAL CONFERENCES AND AGREEMENTS

1. EXCHANGE OF NOTES BETWEEN CANADA AND VENEZUELA, MARCH 26, 1941.

A commercial arrangement between Canada and Venezuela was concluded by an Exchange of Notes at Caracas, Venezuela, March 26, 1941.

This Exchange constitutes a *Modus Vivendi* providing that Canada in return for reciprocal concessions shall extend to Venezuela most-favoured nation treatment in tariff and exchange matters.

This *Modus Vivendi* comes into force on April 9, 1941, and will remain in force for one year with option of renewal. It will supplant in part the provisions of the treaties of 1825 and 1834.

2. THE HYDE PARK DECLARATION, STATEMENT BY THE PRIME MINISTER, APRIL 28, 1941.

On March 12, I described the United States Lease-Lend Act as one of the milestones of freedom, pointing the way to ultimate and certain victory. The Lease-Lend Act settled the principle of United States assistance to Britain and the other democracies. It did not, however, solve all of the complex economic problems involved in the mobilization of the resources of the United States and Canada in order to render to Britain, in the speediest manner, the most effective assistance and support.

One of the reasons for my recent visit to the United States and my conferences with the President, was the urgent need for Canada to find an immediate solution of some of the problems involved in our war-time economic relations with the United States and with the United Kingdom. Before indicating the extent to which a solution has been found in the Hyde Park Declaration, I shall outline briefly the problems themselves.

The War Exchange Problem

It will be readily recognized that we, in Canada, could not possibly have embarked upon our existing program of war production if we had not lived side by side with the greatest industrial nation in the world. Without ready access to the industrial production of the United States, and particularly the machine tools and other specialized equipment so necessary in producing the complex instruments of modern war, Canada's war effort would have been seriously retarded. We would have been

forced to embark upon the production of many articles which, because of limited demand, could only have been produced at high cost, and over a considerable period of time. Canada also lacks certain essential raw materials which must be procured from the United States. Since the outbreak of war, we have steadily expanded our purchases in the United States of these essential tools, machines and materials which were required both for our own Canadian war effort, and in the production of war supplies for Britain.

Even in normal times Canada purchases much more from the United States than we sell to our neighbours. In peace time we were able to make up the deficit by converting into United States dollars the surplus sterling we received as a result of the sale of goods to Britain. But from the outset of war, this has been impossible. The government realized at once that Canada would be faced with a growing shortage of United States dollars to pay for our essential war purchases. To conserve the necessary exchange the Foreign Exchange Control Board was established on September 15, 1939. As the need has grown, increasingly stringent measures have been adopted to reduce the unessential demands for United States dollars in order to conserve sufficient funds to make our payments for essential weapons and supplies of war. These war purchases could not be reduced without a corresponding, or perhaps an even more serious reduction in our war effort. Despite the drastic measures taken to conserve exchange, the lack of United States dollars was becoming, as one writer expressed it, one of the most serious "bottlenecks" in Canada's war effort.

Risk of wasteful duplication of production

The problem of exchange was the most urgent problem we faced in our economic relations with the United States. But we also realized a growing danger of possible unnecessary duplication of production facilities on the North American continent, with consequent undue pressure on scarce labour and materials if Canada and the United States each tried to make itself wholly self-sufficient in the field of war supplies. We felt it imperative to avoid such waste, which might well have had the most serious consequences. The experience of the Department of Munitions and Supply, and the studies of the Permanent Joint Board on Defence, both suggested the same solution. That solution was the co-ordination of the production of war materials of Canada and the United States. This was in reality a simple and logical extension, to the economic sphere, of the Ogdensburg Agreement.

The practical experience of a year and a half of organizing and developing war production in Canada revealed that many of the essen-

tials of war could be made in the comparatively small quantities required by Canada only at a prohibitive cost. They could, however, be produced economically in the United States where the demand was large enough to result in the economies of large-scale production. On the other hand, the production of other weapons and materials had been developed in Canada to the point where output could be expanded more quickly, and probably more economically, than new production facilities could be organized in the United States. It was, therefore, only common sense to extend to the production of war materials the same reciprocity in which, at Ogdensburg in August last, our two countries had permanently placed their defence.

Visit to the United States

During my Easter visit, I had the opportunity of preliminary discussions with the Secretary of State, Mr. Cordell Hull, and the Secretary of the Treasury, Mr. Morgenthau, at Washington. I also, later, had an opportunity of conferring with Mr. Harry Hopkins, who has been entrusted with immediate direction and supervision of the measures to be taken under the Lease-Lend Act. On Sunday, April 20, I spent the day with the President at Hyde Park. At the close of the visit, I gave to the press a statement of the understanding which the President and I had reached regarding the problems I have mentioned. That statement it is proposed to call the Hyde Park Declaration.

The Hyde Park Declaration

The Declaration reads:

“Among other important matters, the President and the Prime Minister discussed measures by which the most prompt and effective utilization might be made of the productive facilities of North America for the purposes both of local and hemisphere defence, and of the assistance which in addition to their own program both Canada and the United States are rendering to Great Britain and the other democracies.

“It was agreed as a general principle that in mobilizing the resources of this continent each country should provide the other with the defence articles which it is best able to produce, and above all, produce quickly, and that production programs should be co-ordinated to this end.

“While Canada has expanded its productive capacity manifold since the beginning of the war, there are still numerous defence articles which it must obtain in the United States, and purchases of this character by Canada will be even greater in the coming year than in the past. On the other hand, there is existing and potential capacity in

Canada for the speedy production of certain kinds of munitions, strategic materials, aluminium and ships, which are urgently required by the United States for its own purposes.

“While exact estimates cannot yet be made, it is hoped that during the next twelve months Canada can supply the United States with between \$200,000,000 and \$300,000,000 worth of such defence articles. This sum is a small fraction of the total defence program of the United States, but many of the articles to be provided are of vital importance. In addition, it is of great importance to the economic and financial relations between the two countries that payment by the United States for these supplies will materially assist Canada in meeting part of the cost of Canadian defence purchases in the United States.

“In so far as Canada’s defence purchases in the United States consist of component parts to be used in equipment and munitions which Canada is producing for Great Britain, it was also agreed that Great Britain will obtain these parts under the Lease-Lend Act and forward them to Canada for inclusion in the finished articles.

“The technical and financial details will be worked out as soon as possible in accordance with the general principles which have been agreed upon between the President and the Prime Minister.”

Immediate purpose of the Declaration

The immediate purpose of the joint Declaration is set out in its first paragraph, which might be described as the preamble. It states that the President and I discussed measures by which the most prompt and effective utilization might be made of the productive facilities of North America. Let me emphasize the two words: prompt and effective. They indicate that, while recognizing the short-run necessity of speed, the vital importance of the time factor, we have not lost sight of the long-run necessity of the utmost efficiency in the organization of our war production.

The preamble goes on to recognize a twofold object in ensuring this prompt and effective utilization of the productive facilities of both countries. Not only does it envisage the extension of the scope of our joint defence arrangements to the economic sphere, but it recognizes the advantages of co-ordinating the use of the resources of both countries as a means of speeding up and increasing the volume of aid to Britain from this continent.

Let me state this in another way. The Hyde Park Declaration is more than an extension of the Ogdensburg Agreement for hemispheric defence. It is also a joint agreement between Canada and the United States for aid to Britain.

The basic principle: Cooperation in production

The basic principle underlying the agreement is set out in the second paragraph. It is a recognition of the fact that each country has special advantages for the production of certain war materials which are lacking in the other, and that both countries will benefit by each producing for the other, as well as for itself, the defence articles which it is best able to produce. It constitutes an acceptance of the economic inter-dependence of Canada and the United States as the foundation of the program of war production in both countries. It represents the application to war production of the principle, recognized by Canada and the United States in the trade agreements of peace time, that the exchange of goods is of mutual benefit.

The third paragraph of the Declaration is an amplification of the basic principle of the agreement. It recognizes, on the one hand, the vital necessity, for Canada's war program, of obtaining certain defence articles from the United States; on the other hand, it indicates the possibilities of the speedy expansion of Canadian production of other defence articles, munitions and strategic materials. It is not without significance that aluminium and ships are specified by name in the declaration.

Practical operation of the agreement

One question which may arise in connection with the Hyde Park Declaration is: how can Canada spare to the United States any defence articles or munitions? Surely, it will be said, all our war production is needed either for Canada or for Britain! The answer is that we have advanced so far in the production of certain articles that expansion beyond British and Canadian needs can be readily accomplished. That is true of certain types of small arms, guns and ammunition, certain explosives and chemicals, certain armed fighting vehicles, aluminium and certain other metals and materials, merchant ships and naval vessels of the type we have been building, namely, corvettes and minesweepers. There are in addition certain types of clothing and textiles, certain leather, rubber and timber products, and certain secret devices in which Canada could probably make an important contribution, if these were desired. On the other hand, the production of engines for aircraft in Canada would be a slow process, costly both in time and in those types of skilled labour and specialized equipment of which no surplus exists. Moreover, this is a field in which not one but many types are needed to fill the varied demands and improvements in designs that are constantly occurring.

The fact that Canadian war production is so well organized in many fields as to enable Canada to meet speedily many United States requirements is a high tribute to Canadian industry and Canadian labour.

Alleviation of the Exchange Problem

In the Declaration itself a rough estimate was made of the value of the defence articles which it is hoped Canada will be in a position to supply to the United States in the next twelve months. The estimate is between \$200,000,000 and \$300,000,000 worth. We may be able to do better than this, but obviously detailed negotiations will be necessary with the appropriate purchasing departments or agencies of the United States Government, in order to determine how best they can use the surplus capacity, existing and potential, of Canadian industry. The immediate significance to Canada of the sale of these defence articles is, of course, the provision of the United States dollars to help us in paying for Canada's essential war purchases in the United States.

While these United States purchases will assist us very materially in meeting our deficit, they alone will not solve the whole problem. A further important contribution to its solution is contained in another paragraph of the Declaration which provides that Canadian purchases in the United States of materials or components to be used in equipment and munitions being produced by Canada for Britain will be made available to Britain under the terms of the Lease-Lend Act. Hitherto it has been necessary to Canada to find United States dollars to pay for these purchases on British account. These purchases have materially added to the growing deficit in our balance of trade with the United States.

The combination of United States purchases in Canada and the lease-lending of defence articles for Britain will go a very long way toward the solution of Canada's acute exchange problem. It is, however, not anticipated that the whole deficit will be covered in this way. Essential Canadian purchases in the United States will still exceed United States purchases in Canada. There would, therefore, appear to be little prospect of relaxing any of the existing foreign exchange conservation restrictions without causing a new deficit which would imperil Canada's war effort.

The final paragraph of the Declaration provides for the working out of the technical and financial details as soon as possible in accordance with the general principles set out in the Declaration itself. Officials of the two governments are at present engaged upon the task of working out these details. Until that task is completed it will not be possible to say exactly what Canada will supply the United States or what the

United States will supply Canada. I have already indicated certain articles which it is anticipated will be included in the list to be supplied by Canada.

Significance of the Declaration

Hon. members will, I am sure, be more interested in the broad significance of the Hyde Park Declaration than in its technical aspects.

Its most immediate significance is that, through the co-ordination of war production in both countries, it will result in the speeding up of aid to Britain by the United States and Canada. As a result of the better integration of North American industry, the proposed arrangement will, through increasing total production, have the further effect of increasing the total volume of aid to Britain. It will have a corresponding effect upon Canada's war effort. Full utilization of the production facilities we have built up, and specialization on those things which we are best fitted to produce, will increase both our national income and our own armed strength, as well as increasing our capacity to aid Britain.

As I have already said, the agreement will go a long way towards the solution of the exchange problem and, in this way, will remove one of the financial obstacles to the maximum war production program of Canada and the United States. We, in Canada, have reason to be gratified at the understanding shown by the President and by the Secretary of the Treasury, of Canada's difficult exchange problem. We may, I am sure, feel an equal confidence that in the working out of the detailed technical and financial arrangements, Canadian officials will find the same generous measure of understanding and the same spirit of cooperation.

The Economic Corollary of Ogdensburg

I have spoken thus far of the immediate significance of the Declaration, of the effect it will have in speeding up aid to Britain in the critical months ahead, and of its importance in assisting us to meet our exchange problem. But beyond its immediate significance the Hyde Park Declaration will have a permanent significance in the relations between Canada and the United States. It involves nothing less than a common plan of the economic defence of the western hemisphere. When we pause to reflect upon the consequences, in Europe, of the failure of the peace-loving nations to plan in concert their common defence, while yet there was time, we gain a new appreciation of the significance for the future of both Canada and the United States of the Ogdensburg Agreement and of this new Declaration which might well be called the economic corollary of Ogdensburg.

For Canada, the significance of the Hyde Park Declaration may be summarized briefly as follows: first, it will help both Canada and the United States to provide maximum aid to Britain and to all the defenders of democracy; second, it will increase the effectiveness of Canada's direct war effort; and finally, through the increased industrial efficiency which will result, it will increase our own security and the security of North America.

It is appropriate at this point to emphasize the fact that, while the agreement will increase the effectiveness of our war effort and our assistance to Britain, the self-imposed burden upon the Canadian people will nevertheless remain as great as ever. The sacrifices which we are called upon to make will not be reduced by the Hyde Park Declaration, but the results achieved by our sacrifices will, we believe, be considerably greater. At the same time, the risks of delays and breakdowns will be materially reduced. The utmost effort of the Canadian people is more than ever needed in the present phase of this terrible struggle; but in making that effort we shall have, as the result of the agreement, the added satisfaction of knowing that we are making a greater contribution than otherwise would be possible to the cause of freedom.

Foundations of a New World Order

In referring to the passage of the Lease-Lend Act, I expressed in this house the view that "Canada's example, as a nation of the new world, actively participating to the utmost limit in the present struggle, has also had its influence in arousing the people of the United States to their present realization that freedom itself is at stake in this war."

Unhesitatingly, to-day, I would go one step farther and would say that the example given by Canada has, I believe, aroused the admiration of our neighbours and made them ready to accept this new partnership.

Last November, I said to hon. members of this house that the link forged by the Ogdensburg Agreement was no temporary axis, formed by nations whose common tie was a mutual desire for the destruction of their neighbours. The Hyde Park Declaration is, I believe, a further convincing demonstration that Canada and the United States are indeed laying the enduring foundations of a new world order, an order based on international understanding, on mutual aid, on friendship and good will.

3. EXCHANGE OF NOTES BETWEEN CANADA AND THE UNITED STATES CONCERNING WHEAT, MAY 28, 1941.

LEGATION OF THE UNITED STATES OF AMERICA

OTTAWA, CANADA, May 28, 1941.

No. 384

SIR:

1. I have been instructed to call to your attention the fact that due to legislative action looking toward an increase in the income of American wheat producers there has been a substantial rise in the price of wheat in the United States. As a result of this development the spread between the price of wheat in the United States and the price of wheat in Canada has materially widened, thus making practicable an abnormal importation of Canadian wheat into the United States for consumption.

2. In view of the prospects of a record carry-over of wheat in the United States, prospects for a better than average wheat production this year and extremely limited possibilities for export, it is obvious that the United States is faced with a surplus problem of its own. Furthermore, the importation of appreciable quantities of wheat from Canada would materially interfere with the proposed wheat program of the United States set forth in the preceding paragraph.

3. In view of this situation, the Government of the United States regretfully finds it necessary on the basis of the findings of the United States Tariff Commission to place a limitation on the importation of Canadian wheat. Such action, however, will not apply to the movement of Canadian wheat into the United States for milling in bond and export, or to Canadian wheat moving through the United States for export. In the latter connection, moreover, the Government of the United States is anxious to collaborate closely with Canadian wheat authorities in making the most effective use of the available storage facilities in the United States.

4. In taking the action referred to above, the Government of the United States recognizes that the wheat problem is, in fact, an international problem and one in which the Governments of Canada and the United States have mutual interest. It is for this reason that the Government of the United States welcomes the recent indication of the Canadian Government of its willingness to resume discussions on an international basis of the whole wheat surplus problem. The Government of the United States accordingly proposes to extend invitations for such discussions in Washington in the near future.

5. In addition to such discussions, however, the Government of the United States feels that there is a need for continuing consultation between appropriate authorities of our two governments with a view to preventing to the fullest possible extent divergencies in our respective wheat programs and policies. It is believed such collaboration would be in accord with the purposes of the two governments to work toward a closer integration of the economies of both countries. The Government of the United States would accordingly welcome an expression of the views of the Canadian Government on this subject.

Accept, Sir, the renewed assurances of my highest consideration.

(signed) PIERREPONT MOFFAT

OFFICE OF THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS
CANADA

OTTAWA, May 28th, 1941.

No. 89

SIR,—

I have the honour to acknowledge receipt of your Note of May 28th, 1941, No. 384 and in reply to inform you that the Canadian Government appreciates fully the nature of the wheat program now being undertaken in the United States. In view of the circumstances described in your Note I am glad to be able to assure you that Canada is prepared to cooperate by avoiding, so far as may be possible, any action which would be likely to embarrass your Government in the execution of measures designed to improve the domestic position of wheat producers in the United States.

2. The Canadian Government is gratified to note that nothing will be done to impede the movement through the United States of Canadian wheat destined for export from American seaboard ports, or for milling in bond for export. As you are aware this movement through the United States is important in order to maintain the regular and continuous shipment of Canadian wheat overseas.

3. In view of the problem of surplus wheat with which the governments of almost all the major exporting countries are now confronted, and having in mind the altered conditions and prospects for trade resulting from the war, the Canadian Government welcomes the proposal that the discussions of this problem with the governments of the United States and other interested countries, should be resumed.

4. Apart from discussion of the international problem, the Canadian Government recognizes the value of, and is willing to participate in,

continuing consultations on this subject as it affects the United States and Canada. It is assumed that these consultations will embrace such aspects of the problem as the mutually advantageous use of storage facilities in the United States and Canada, as well as all decisions in the field of wheat policy which, although taken by one Government, may have a bearing on the interest of the other.

Accept, Sir, the renewed assurances of my highest consideration.

(Signed) W. L. MACKENZIE KING,
Secretary of State for External Affairs.

4. *ST. LAWRENCE WATERWAY, STATEMENT OF MINISTER OF MINES AND RESOURCES, MAY 29, 1941.*

With the consent of the house I should like to revert to motions in order to lay on the table at the request of the Prime Minister the exchange of notes between Canada and the United States of America relating to additional diversions at Niagara falls, to which reference was made some days ago. They embody communications from the Secretary of State of the United States, Washington, to the Canadian Minister to the United States, Washington, and from the Canadian Minister to the United States, Washington, to the Secretary of State of the United States, Washington. They are tabled in English and French with the request that they be printed in to-morrow's *Votes and Proceedings*.

Along with them I desire to make the following statement:

1. The house is familiar with the provisions of the St. Lawrence agreement which was signed in March of this year, and with the exchange of notes which took place in October last.

2. Without embarking upon an explanation of the agreement, it may be observed that article VIII enables either country to divert water into the St. Lawrence watershed and to utilize the water so diverted for power purposes, so long as it remains a part of international waters.

Article IX provides for the preservation of the scenic beauty of the Niagara falls and river, for the construction of remedial works, and for the efficient utilization and equitable apportionment of the waters of the Niagara to the extent that is consistent with the paramount need to preserve their scenic beauty.

3. Last October, to ensure continued acceleration of the supply of essential war materials, an agreement was made by exchange of notes, copies of which are to be found at pages 34 to 36 in the white paper tabled in the House of Commons on March 21. These notes provided for the

bringing into force, in advance of a St. Lawrence agreement, of the provisions enabling Ontario to proceed with the Ogoki and Long Lake diversions and to utilize immediately 5,000 cubic feet per second of additional water at Niagara. This made it possible to develop immediately, using idle equipment, 70,000 horse-power.

4. The demand for power grows from day to day and from month to month. It is not a problem of static industry, it is one of constantly expanding production. Continuous expansion of production can only take place if there is corresponding expansion of hydro-electric power.

5. To meet this situation, a proposal has been made by the government of the United States of America, leading to the immediate further utilization of the water at Niagara. It involves the immediate diversion of 5,000 cubic feet per second on the United States side, which will produce 70,000 horse-power; and the immediate diversion of 3,000 cubic feet per second on the Canadian side, which will produce 35,000 horse-power, mostly in the form of additional energy.

6. This proposal has been embodied in an exchange of notes which took place on May 20. It might be of service to hon. members if copies, in English and in French, were included in votes and proceedings of to-day. I am tabling them for that purpose.

7. This exchange is being submitted to the senate of the United States for approval to-day, and it is expected that its provisions will be put into effect to-day or to-morrow.

8. It provides for the immediate diversion of 5,000 cubic feet per second on the United States side and 3,000 cubic feet per second on the Canadian side. There is at present an idle plant on the United States side which can use 12,500 cubic feet per second. The maximum amount of additional water that can be effectively used in Canada, with existing equipment and under existing market conditions, is 3,000 cubic feet per second. That is the reason for the apparent discrepancy in this apportionment.

9. In substance, the exchange accelerates the provisions of the St. Lawrence agreement, whereunder additional power would be made available at Niagara, and it takes advantage of relatively high water conditions in the lakes to give effect to these provisions before the construction of the remedial works.

10. The agreement is subject to certain conditions. In the first place, it cannot extend beyond the duration of the present emergency; in the second place, it is subject to reconsideration by both governments

on October 1, 1942; in the third place, it will be subject to the provisions of article IX of the Great Lakes-St. Lawrence basin development.

11. It will also be observed that the agreement enables the engineers of the two countries to proceed at once with the program for remedial works.

12. When this proposal was first made to the Canadian government, the temporary Canadian Great Lakes-St. Lawrence basin committee was asked to report upon the question as to whether immediate increases in diversions of 5,000 cubic feet per second to the United States and 3,000 cubic feet per second to Canada would be detrimental or harmful to Canadian interests.

This committee, under the chairmanship of Mr. Guy A. Lindsay of the Department of Transport, and including in its membership the chairman and chief engineer of the Hydro-Electric Power Commission of Ontario, the vice-chairman of the Quebec Streams Commission and the legal adviser of the Department of External Affairs, has advised the government that such diversions would not be detrimental or harmful to Canadian interests. The committee studied, amongst other things, the possible effect of proposed diversions (including a total of 15,500 cubic feet per second) upon the Niagara falls and river, and have submitted the following statement:

Although it is assumed that the construction of these remedial works will be proceeded with immediately, if the diversions are authorized there will be a period during which the flow over the falls is depleted before the effect of the remedial works is felt. The committee does not think this is a serious matter however, because with flow conditions in the Niagara river approximately those of 1940, the diversions of an additional 15,500 cubic feet per second for power purposes would still leave a more satisfactory scenic spectacle at the falls than that which existed in the recent low water years of 1934, 1935 and 1936. In reaching this conclusion no account has been taken of any betterment of conditions which may have been brought about at the Canadian flank of the Horseshoe falls due to the recent construction of the gathering weir of the Canadian Niagara Power Company.

The government, therefore, reached the conclusion that the proposals submitted by the United States government, having regard for lake levels and for the paramount need for preserving the scenic beauty of the Niagara falls and river, would not be detrimental to this country. I do not suggest that if the diversions had been likely to affect the scenic beauty the government would have refused to go on with the agreement. The urgent need for power for vital war production is a paramount consideration. It is, however, satisfactory to know that this additional power can be developed without prejudice to the beauty of the falls.

5. *ST. LAWRENCE WATERWAY, ADDITIONAL DIVERSIONS AT NIAGARA FALLS, PROCEDURE IN INTERNATIONAL AGREEMENTS, STATEMENT OF PRIME MINISTER, JUNE 5, 1941.*

My hon. friend the member for Davenport (Mr. MacNicol) asked a question yesterday concerning the matter of diversions of water above Niagara. I will summarize first the facts relating to diversions and then discuss procedure.

In article V of the Boundary Waters Treaty of 1909, Canada and the United States agreed not to divert more than a specified amount of water from the Niagara river above the falls. There was no change in the amount of diversion until November, 1940, when, by an exchange of notes, the United States agreed not to object to an additional temporary diversion at Niagara by Ontario of water equivalent to diversions which Ontario was to make into the great lakes basin from the Albany river basin. This exchange of notes was tabled in the House of Commons on November 12, 1940.

The Great Lakes-St. Lawrence basin agreement signed on March 19, 1940, which is expressly subject to approval by the parliament of Canada and the United States congress, has two provisions affecting diversions at Niagara.

Article VIII of that agreement authorizes each country to use for power purposes any water diverted by it into the great lakes system. Article IX provides for the construction of remedial works at Niagara and for the subsequent additional diversion by each country of 5,000 cubic feet per second in excess of the amount specified in the Boundary Waters Treaty. These articles are, of course, not yet in force.

The exchange of notes signed on May 20, 1941, which was tabled in this house on May 29, provides, as a temporary measure in view of the present emergency, for an immediate additional diversion of 5,000 cubic feet per second by the United States and for an immediate additional diversion of 3,000 cubic feet per second by Canada. The temporary nature of this arrangement is made clear by provisions in the notes. The arrangement is expressed to be for the duration of the national defence emergency and, in all events, is subject to reconsideration by both governments on October 1, 1942. Furthermore, it is provided that the arrangement will be subject to the provisions of article IX of the Great Lakes-St. Lawrence basin agreement when that agreement comes into force.

The reasons for this emergency arrangement were explained in full by the hon. the Minister of Mines and Resources when he tabled the

notes on May 29. It is not necessary to repeat these reasons, which lead to the conclusion that war needs make the increased diversion essential. As explained on May 29, the advisers of the Canadian government and representatives of Ontario and Quebec are satisfied that the increased diversions will not be detrimental or harmful to Canadian interests.

Turning now to the constitutional question of the proper procedure to be followed in such cases, as indicated in my reply of yesterday, under the British and Canadian constitutions, the crown enjoys the sole right of conducting all foreign relations, which includes the making and, if necessary, the ratifying, of international agreements of all kinds.

In the United Kingdom, it is a rare thing for the government to ask the approval of parliament or of the House of Commons before making or ratifying treaties, even formal and important ones.

In Canada, without derogating from the legal rights of the crown, a custom has developed different from that in the United Kingdom. On June 21, 1926, this house adopted a resolution which I moved, the final paragraph of which reads that the house considers that:

. . . before His Majesty's Canadian ministers advise ratification of a treaty or convention affecting Canada, or signify acceptance of any treaty, convention or agreement involving military or economic sanctions, the approval of the parliament of Canada should be secured.

On April 12, 1928, in the course of the debate on the International Sanitary Convention in this house, I said:

I submit that the day has passed when any government or executive should feel that they should take it upon themselves without the approval of parliament, to commit a country to obligations involving any considerable financial outlays or active undertakings. In all cases where obligations of such a character are being assumed internationally, parliament itself should be assured of having the full right of approving what is done before binding commitments are made. I would not confine parliamentary approval only to those matters which involve military sanctions and the like. I feel parliamentary approval should apply where there are involved matters of large expenditure or political considerations of a far-reaching character.

Since 1928 the custom in Canada, both under the government of Mr. Bennett and under the present government, has moved even farther away from the United Kingdom practice in the direction of more parliamentary control of international agreements. The present practice is that, except in the case of very unimportant agreements or in the case of great urgency, the Senate and House of Commons are asked to approve formal treaties, conventions and agreements, before they are ratified by or in respect of Canada.

However, while the practice has developed in this way in the case of formal agreements requiring ratification, it has never been the practice in Canada to ask parliament or the House of Commons to approve agreements which are in the form of exchange of notes. Generally speaking, agreements are made in the form of an exchange of notes either because they are too unimportant for a formal agreement, or because they are intended to be of a temporary character.

In the opinion of the government, it would be a mistake to change the custom still further by asking parliament or the House of Commons to approve exchange of notes.

Following the principles which I have outlined, parliament was not asked to approve the exchange of notes of November, 1940, which authorized a temporary additional diversion at Niagara by the province of Ontario. So far as the question of procedure is concerned, there is no ground for distinction between that exchange of notes and the one signed on May 20, 1941. There was no reason to follow any different procedure on this occasion.

It might be pointed out that neither of these two exchanges of notes requires legislation in order to give them effect in Canada. The only thing which the Canadian government has promised to do in the notes of May 20 is to refrain from objecting to an additional diversion of water by the United States.

The United States government for its part desired to have the approval of the United States Senate before being bound by the latest exchange of notes. It would not be appropriate for me to attempt to explain the reasons for this decision. The constitutional provisions and practice of the United States in the matter of international agreements is, as I have said, not the same as that of Canada. It would not seem desirable that Canada's treaty procedure should be altered solely because the United States Senate is being asked by the United States government to approve this particular exchange of notes.

While it is not the practice in Canada to ask for parliamentary approval of exchange of notes, it is customary and desirable to table any such which are of importance or interest. The purpose of tabling them is not merely to inform the house, but also to provide a basis for debate, if so desired, at the appropriate time.

6. ESTABLISHMENT OF CANADA-UNITED STATES JOINT ECONOMIC COMMITTEES OF INQUIRY, PRESS STATEMENT OF JUNE 17, 1941.

The Government of Canada and the Government of the United States of America to-day announced that they have established joint com-

mittees of inquiry to explore the possibility of a greater degree of economic co-operation between Canada and the United States. They will be known as the Joint Economic Committees.

The Committees have been instructed to study and to report to their respective governments on the possibilities of (1) effecting a more economic, more efficient and more co-ordinated utilization of the combined resources of the two countries in the production of defence requirements (to the extent that this is not now being done) and (2) reducing the probable post-war economic dislocation consequent upon the changes which the economy in each country is presently undergoing.

It is the common belief of the two governments that such studies and reports should assist the governments and peoples of each country in formulating policies and actions for the better utilization of their productive capacities for the mutually greater welfare of each, both in the present emergency period and after the emergency has passed.

This joint inquiry marks one further step in the implementation of the declaration made by Prime Minister Mackenzie King and by President Roosevelt at Hyde Park on April 20, 1941.

The members of the Canadian Committee will be Mr. R. A. C. Henry, Professor W. A. Mackintosh, Mr. J. G. Bouchard and Mr. Alex Skelton. Mr. H. L. Keenleyside of the Department of External Affairs will sit with the Committee from time to time as occasion may render desirable.

The members of the United States Committee will be Mr. William L. Batt, Mr. Harry D. White, Professor Alvin H. Hansen and Mr. E. Dana Durand. Mr. A. A. Berle, Jr., Assistant Secretary of State will sit with the Committee from time to time as occasion may render desirable.

In order that the Secretary of State may be kept closely in touch with the activities of the committees, Mr. Leroy D. Stinebower has been appointed as liaison officer from the Department of State. A liaison officer from the Department of External Affairs will also be appointed shortly.

7. MEETING OF THE PERMANENT JOINT BOARD ON DEFENCE HELD AT MONTREAL, APRIL 14-16, 1941.

A meeting of the Permanent Joint Board on Defence was held at Montreal on April 14-16, 1941.

Brigadier Maurice Pope, who succeeded Brigadier Kenneth Stuart, attended for the first time as a member of the Canadian section.

(E) PASSPORTS AND VISAS

1. CHANGE IN UNITED STATES REGULATIONS AFFECTING THE RE-ENTRY INTO THE UNITED STATES OF CANADIAN NATIONALS RESIDENT IN THE UNITED STATES.

New regulations governing the issuance and use of resident aliens' border crossing identification cards have been issued on June 25, 1941, by the United States Immigration and Naturalization Service. Under these regulations, border crossing cards will be issued to any alien resident in the United States who submits satisfactory evidence that:—

- (1) He has been legally admitted to the United States for permanent residence and has not relinquished his status;
- (2) He has complied with the applicable provisions of the Alien Registration Act, 1940;
- (3) He has a legitimate purpose and reasonable need to make a temporary visit or visits to contiguous foreign territory.

These cards will be issued only for six months and will be renewed. They will be neither issued nor renewed in the cases of persons whose departure from the United States may be forbidden by law or regulation. This proviso foresees the possibility of exit permits being required at a later date. They would not be made to apply in any case to persons proceeding to Canada.

Such cards may be issued not only to Canadians but to any alien in the United States, and may be used for travel either to Mexico or Canada.

(F) COMMONWEALTH AND FOREIGN REPRESENTATIVES IN OTTAWA

1. Mr. Luis E. Feliu, who arrived in Ottawa in November, 1940, has been appointed Consul General for Chile.
2. Dr. Humberto Fernandez Davila has been appointed Consul General for Peru, and assumed his duties in Ottawa on April 1, 1941.
3. Mr. Joao Alberto Lins de Barros, Minister of Brazil, presented his Letters of Credence to the Governor General on May 15, 1941. His staff consists of: Mr. J. B. de Berenguer-Cesar, First Secretary; Mr. Edgard de Mello, Commercial Counsellor; and Mr. de Betancourt Berenguer, Attaché.
4. Sir Patrick Duff, Deputy High Commissioner for the United Kingdom in Canada, arrived in Ottawa on June 3, 1941. Mr. W. H. Coates has been appointed Financial Adviser to the High Commissioner for the United Kingdom.
5. Dr. Pablos Santos Munoz, Minister of the Argentine, presented his Letters of Credence to the Governor General on June 3, 1941. His staff consists of: Mr. Edward Leguizamon, Chancellor; Dr. Hector Scarpellini, Commercial Attaché; and Mr. R. Rodriguez Araya, First Secretary.
6. Mr. Jotaro Koda has been appointed First Secretary of the Japanese Legation at Ottawa.
7. Mr. Mario Harrington has arrived in Ottawa to take up his duties as Consul General for Cuba.
8. Mr. Harold Eeman has been nominated as Counsellor of the Belgian Legation, and will arrive shortly.
9. The following additions to the staff of the United States Legation in Ottawa have been made: Mr. Lewis Clark, Second Secretary and Consul; Captain Harry D. McHenry, Assistant Naval Attaché; Commander Edmond W. Strother, Assistant Naval Attaché; Major Francis J. Graling, Assistant Military Attaché; Lieutenant Robert D. Huntington, Assistant Naval Attaché; and Lieutenant Julius Fleischmann, Assistant Naval Attaché.

(G) CHANGES IN THE CANADIAN EXTERNAL SERVICE

1. Mr. Loring C. Christie, Canadian Minister to the United States, passed away on April 8, 1941, in New York, following a severe illness. The Prime Minister made the following statement in the House of Commons on April 8, 1941:

"It is with deep regret that I inform the house of the death in New York, this morning, of Mr. Loring C. Christie. Hon. members may recall that, on February 17, I stated that the condition of Mr. Christie's health would necessitate a prolonged absence from his post as Canadian minister at Washington. At that time it was our earnest hope that a period of rest and relief from the duties and anxieties of his office would result in the restoration of his health. Unhappily that hope has not been realized.

In the passing of Mr. Christie, Canada has lost an exceedingly able and devoted public servant whose influence made itself felt in the shaping of national affairs and international relations during two very critical phases of our history. Mr. Christie was an adviser of the late Sir Robert Borden on questions of imperial and international relations throughout the last war, and at the peace conference at Paris in 1919. During the latter part of the conference on the limitation of armaments, which met at Washington in 1921-22, Mr. Christie acted as secretary-general of the British empire delegation.

In 1923, Mr. Christie resigned as legal adviser of the Department of External Affairs to form a business association. He returned to the public service in 1935. In the four years which preceded the outbreak of the present war, he served as counsellor in our Department of External Affairs where his extensive and intimate knowledge of constitutional and international law, his wide experience of international affairs, and his sound judgment were invaluable. In September, 1939, he was appointed Canadian minister to the United States. In that position he continued to render services of great value to Canada.

In Mr. Christie's death, the diplomatic service of Canada has lost one who had contributed largely to its development, and whose premature passing will be felt as a great loss not only in Canada, but also in the United Kingdom and in the United States."

2. Mr. L. B. Pearson, Secretary at the Office of the High Commissioner for Canada in London, was transferred to the Department of External Affairs early in June, 1941.

3. The appointment of Mr. Norman A. Robertson as Under-Secretary of State for External Affairs was announced on June 24, 1941.

4. On the same date, Mr. L. B. Pearson and Mr. H. L. Keenleyside were appointed Assistant Under-Secretaries of State for External Affairs, and Mr. H. H. Wrong, senior Counsellor in the Canadian Legation in Washington, was designated as Minister-Counsellor.

5. Mr. Escott Reid, formerly at the Canadian Legation in Washington, was transferred to the Department of External Affairs at the end of May, 1941.

6. The appointment of Mr. Paul Reading, of the parliamentary press gallery as attaché at the Canadian Legation at Washington, was announced on May 16, 1941.

7. Major C. M. Drury, R.C.A., has been appointed Assistant Military Attaché at the Canadian Legation, Washington.

8. Lieutenant Commander J. G. MacKinlay has been appointed Assistant Naval Attaché at the Canadian Legation, Washington.

9. Wing Commander J. G. Bryans has been appointed Assistant Air Attaché at the Canadian Legation, Washington.

10. Mr. H. F. Angus, Head of the Department of Economics and Political Science in the University of British Columbia, has accepted a war appointment in the Department of External Affairs. Among other duties, he is to act as Liaison Officer on the Canadian Committee of the Canada-United States Joint Economic Committees.

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