

Canada. Parl. H.of C.
Standing comm.on
External Affairs, 1960.
Minutes of
proceedings & estimates.

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Canada. Parliament. H.of C.
Standing Comm. on External
Affairs, 1960.

HOUSE OF COMMONS

Third Session—Twenty-fourth Parliament

1960

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

TUESDAY, FEBRUARY 23, 1960

THURSDAY, MARCH 3, 1960

ESTIMATES 1960-61 OF THE DEPARTMENT OF
EXTERNAL AFFAIRS

Statement by The Honourable Howard C. Green, Secretary of State for
External Affairs.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1960

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.,
and Messrs.

Aitken (Miss),
Allard,
Batten,
Cardin,
Cathers,
Crestohl,
Eudes,
Fairfield,
Fleming (*Okanagan-
Revelstoke*),
Garland,
Hellyer,

Herridge,
Jones,
Kucherepa,
Lafrenière,
Lennard,
MacLellan,
Macquarrie,
Mandziuk,
Martin (*Essex East*),
McCleave,
McGee,
Montgomery,

Nesbitt,
Nugent,
Pearson,
Pratt,
Regier,
Richard (*Ottawa East*),
Slogan,
Smith (*Calgary South*),
Stinson,
Valade,
Vivian—35.

Eric H. Jones,
Clerk of the Committee.

ORDERS OF REFERENCE

HOUSE OF COMMONS,

TUESDAY, February 16, 1960.

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

Messrs.

Aitken (Miss),	Herridge,	Nesbitt,
Allard,	Jones,	Nugent,
Batten,	Kucherepa,	Pearson,
Cardin,	Lafrenière,	Pratt,
Cathers,	Lennard,	Regier,
Crestohl,	MacLellan,	Richard (<i>Ottawa East</i>),
Eudes,	Macquarrie,	Slogan,
Fairfield,	Mandziuk,	Smith (<i>Calgary South</i>),
Fleming (<i>Okanagan-Revelstoke</i>),	Martin (<i>Essex East</i>),	Stinson,
Garland,	McCleave,	Valade,
Hellyer,	McGee,	Vivian,
	Montgomery,	White—35.

(Quorum 10)

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

TUESDAY, February 16, 1960

Ordered,—That items numbered 75 to 106 inclusive, as listed in the Main Estimates 1960-61, relating to the Department of External Affairs, be withdrawn from the Committee of Supply and referred to the Standing Committee on External Affairs, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

THURSDAY, February 25, 1960

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

Attest

LÉON-J. RAYMOND,
Clerk of the House of Commons.

REPORT TO THE HOUSE

TUESDAY, February 23, 1960

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

FIRST REPORT

Your Committee recommends:

1. That it be empowered to print, from day to day, such papers and evidence as may be ordered by the Committee, and that Standing Order 66 be suspended in relation thereto.
2. That it be granted leave to sit while the House is sitting.

Respectfully submitted,

H. O. WHITE,
Chairman.

MINUTES OF PROCEEDINGS

TUESDAY, February 23, 1960

(1)

The Standing Committee on External Affairs met at 9.30 o'clock a.m. this day for the purpose of organization.

Members present: Miss Aitken and Messrs. Batten, Cardin, Cathers, Fairfield, Fleming (*Okanagan-Revelstoke*), Hellyer, Herridge, Kucherepa, Lennard, MacLellan, Macquarrie, Mandziuk, Martin (*Essex East*), McGee, Montgomery, Nesbitt, Nugent, Pratt, Slogan, Smith (*Calgary South*), and White. (22).

The Clerk of the Committee attending, and having called for nominations, it was moved by Mr. Smith (*Calgary South*), seconded by Mr. Kucherepa, that Mr. White be the Chairman of the Committee. There being no further nominations, Mr. White was declared to have been elected Chairman, and he took the Chair.

Mr. White expressed his appreciation of the honour which had been paid to him.

At the request of the Chairman, the Clerk of the Committee read the Orders of Reference of the House dated February 16th whereby the Committee had been activated and given certain powers, and whereby items 75 to 106 inclusive as listed in the Main Estimates 1960-61 relating to the Department of External Affairs had been referred to the Committee.

On motion of Mr. Smith (*Calgary South*); seconded by Mr. Slogan,

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

It was then moved by Mr. Lennard, seconded by Mr. Mandziuk, that the Committee request permission to sit while the House is sitting.

Following debate the said motion was carried, Yeas, 15; Nays, 5.

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

Resolved,—That a Subcommittee on Agenda and Procedure be appointed, comprising the Chairman and 7 members to be designated by him.

At 9.50 a.m. the Committee adjourned to the call of the Chair.

THURSDAY, March 3, 1960

(2)

The Standing Committee on External Affairs met at 10.00 o'clock a.m. this day, the Chairman, Mr. H. O. White, presiding.

Members present: Miss Aitken and Messrs. Allard, Batten, Cardin, Cathers, Crestohl, Fairfield, Fleming (*Okanagan-Revelstoke*), Hellyer, Herridge, Lafreniere, Lennard, Macquarrie, Mandziuk, Martin (*Essex East*), McCleave, McGee, Montgomery, Nesbitt, Nugent, Pearson, Pratt, Regier, Richard (*Ottawa East*), Slogan, Smith (*Calgary South*), Stinson, Valade, Vivian and White—(30).

In attendance: The Honourable Howard C. Green, Secretary of State for External Affairs; and Messrs. N. A. Robertson, Under-Secretary of State for External Affairs; Ross Campbell, Special Assistant to the Minister; T. C. Hammond, Executive Assistant to the Minister; and H. B. Stewart, Head, Finance Division.

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

Resolved,—That, pursuant to its Order of Reference of February 25, 1960, the Committee print 750 copies in English and 250 copies in French of its Minutes of Proceedings and Evidence relating to its consideration of the 1960-61 estimates of the Department of External Affairs.

Pursuant to the direction of the Committee on February 23rd, the Chairman named the 7 members to comprise the Subcommittee on Agenda and Procedure in addition to himself, namely, Messrs. Crestohl, Herridge, Jones, Kucherepa, Lafreniere, Lennard and Richard (*Ottawa East*).

The Chairman called Item 75 of the estimates, Departmental Administration, and called on the Minister to make his statement.

The Honourable Mr. Green thereupon gave the Committee a brief statement on certain subjects concerning the responsibilities of himself and his department which he had not dealt with recently in the House. These subjects comprised the following: the Law of the Sea, the Chicago water diversion problem, the Columbia river problem, the St. Lawrence river system, preparation for the East-West Summit Conference, NATO meetings, the 5-power working group on Disarmament, Laos, outer space, the Canadian membership on the Permanent Court of Arbitration, the Colombo Plan and other Canadian assistance programmes by Canada, and atomic radiation.

During the delivery of the Minister's statement there were distributed to the Committee copies of a booklet, *The Law of the Sea*, and a paper *Canada's Economic Aid Programmes*. It was agreed that the latter document be printed as an appendix to this day's proceedings. (*See Appendix "A" to these proceedings.*)

The Minister was questioned on certain of the subjects on which he had spoken to the Committee. It was agreed that the subject of Disarmament be the first subject of questioning of the Minister at the next meeting.

At 12.03 p.m. the Committee adjourned until 9.30 o'clock a.m. on Friday, March 4, 1960.

Eric H. Jones,
Clerk of the Committee.

EVIDENCE

THURSDAY, March 3, 1960.
10.00 a.m.

The CHAIRMAN: Gentlemen, if you will come to order we will commence our proceedings.

I wish to welcome the two or three new members of this committee. I want to assure them I will endeavour to give each of them all the opportunity in the world to ask questions and I will be as fair as I possibly can about it.

There are two or three routine matters to be dealt with before the minister arrives. The first is a motion that pursuant to our order of reference dated February 25, 1960, the committee print 750 copies in English and 250 copies in French of its minutes of proceedings and evidence relating to its consideration of the 1960-61 estimates of the Department of External Affairs. While I am dealing with this, I might say I called the Committees Branch to see if there was a demand for more or whether we were printing too many. I was advised they were of the opinion that the numbers I have mentioned are about right. Will someone move the motion?

Moved by Mr. McCleave, seconded by Mr. McGee.

Motion agreed to.

At the last meeting I was requested to name the members of the sub-committee on agenda and procedure. I have made no changes from those of last session. The members of the sub-committee on agenda and procedure, in addition to myself, are: Messrs. Crestohl, Herridge, Jones, Kucherepa, Lafreniere, Leonard and Richard (*Ottawa East*).

The minister has not arrived as yet. I expect he will be here any minute. There will be some information distributed to the members but of course this will not be available for distribution until the minister has made his statement.

Mr. MARTIN (*Essex East*): While we are waiting for the minister could you give us an idea when it would be convenient for General Burns to appear before the committee?

The CHAIRMAN: I think the minister will say something about that.

Mr. Minister and gentlemen, we have proceeded with the routine notices and announcements. Without further adieu I will call item 75 of the estimates and ask the minister to make a statement.

Item 75 Departmental Administration\$ 6,370,736

Hon. HOWARD C. GREEN (*Secretary of State for External Affairs*): Mr. Chairman, as you know during the debate in the house I dealt with quite a few different subjects having to do with the Department of External Affairs. There were, however, some things which I did not have the time to touch upon. If it would be satisfactory to the committee I would like to give a brief summary on these different questions. As soon as that has been done I would be very glad to try to deal with any points members of the committee wish to raise.

The first topic has to do with the conference on the law of the sea which is to commence in Geneva within approximately two weeks. This subject will be receiving a great deal of attention in international discussions in the course of the next few months. Primarily it has to do with the breadth of the territorial sea

and coastal fishing limits. By the way there are copies here of the little booklet which the department has issued and they are available for all the members of the committee. Perhaps they might be distributed now.

This subject is of great importance in international affairs and of particular significance for Canada. We are the sixth largest fishing nation in the world, the fourth largest trading nation, and the country with the world's longest coastline; so that the breadth of the territorial sea and fishing limits are matters which could hardly fail to be of concern to the Canadian government at a time when all members of the United Nations will be gathering shortly in a second attempt to reach agreed rules of law on these two subjects.

As the members of the committee know, the first conference on the law of the sea was held in 1958 and, after lengthy discussions, it succeeded in adopting four conventions which comprehensively regulate the territorial sea, the continental shelf, conservation and high seas fishing and navigation; but, notwithstanding these achievements, the conference failed to reach agreement on two cardinal points, the breadth of the territorial sea and fishing limits, which are the very foundation of the code of law adopted by the first conference. In other words, they did have a good deal to their credit; they worked out most of the problems, but the two key problems, which also are the two most difficult ones, they were unable to decide. Consequently, the United Nations general assembly, at its thirteenth session in 1958, called for a second conference to be convened in Geneva in March and April, 1960, in order to reach a solution to these questions.

Now, you may wonder why the international community has not yet been able to agree to uniform rules for the territorial sea and fishing limits, and why these subjects have become of such great importance in present-day international affairs.

The answer to that question is not a simple one. The key lies in the fact that there is a conflict of interest between a great number of nations on two issues: one, coastal fishing rights and two, freedom of navigation in the twelve-mile coastal zone. On the one hand, there are a number of nations with developed fishing fleets which have operated, and continue to operate, in areas contiguous to the territorial waters of other states. For example, in Canada we have American fishermen, also French, Spanish and Portuguese. Their fishing fleets have been attracted by the prospects of good fishing in these coastal waters. Another example of where this problem arises in a very acute form is the fishing by the British trawlers off the coast of Iceland. A number of these distant water fishing nations also have large mercantile fleets and navies which navigate the high seas. The traditional three-mile limit has adequately served the interests of this group of countries and, by and large, continues to do so. In other words, these countries' navies prefer a narrow territorial sea.

On the other hand, since the beginning of this century, a growing number of coastal states—and Canada would rank as a coastal state—have come to regard the three-mile limit as no longer adequate for the protection of their own interests. Accordingly, they have made claims to the exercise of national jurisdiction outside the three-mile limit for various purposes; for example, jurisdiction has often been assumed for customs, immigration, fiscal and sanitary purposes—I may say that I was asked in the house yesterday about the effects of oil on sea birds off the Newfoundland coast, and this is one of the problems which arises—and claims made over the resources of the continental shelf. The law is very important because of the discoveries of oil on the continental shelves off different countries. Moreover, a growing number of coastal states, whose populations have been greatly increasing in recent years, have been looking to the living resources of their adjacent seas as an important, and sometimes vital, source of food. As a result, there has been growing pressure

arising particularly from the newer and less developed countries for increased controls over fishing in their adjacent waters. We have experienced trouble in regard to this question off the coast of Nova Scotia where, under Canadian law, the Canadian trawlers have to stay out beyond twelve miles, but American trawlers can go in to the three mile, which is the territorial sea limit. To satisfy these demands claims have been made, in some cases, to territorial sea and fishing limits of up to 200 miles. Some of the South American countries—I think Chile and Peru—claim a 200-mile territorial limit, and they did that because of whale fishing up to 200 miles off their coasts. Boats from other countries were coming in there and getting all the whales, and this is the origin of the 200-mile limit off the west coast of South America. More often claims have been made to a 12-mile territorial sea or, as in the case of Iceland, to a 12-mile exclusive fishing limit.

The situation could be summed up in the following ways. The United Kingdom, United States, France, Japan and a number of western European and other nations favour restricting as much as possible a coastal state's jurisdiction over its adjacent seas. At the first conference, this group favoured a United States proposal for a six-mile territorial sea—they were willing to move from the old three mile to a six mile—and a further six-mile fishing zone which was, however, to be subject to historic fishing rights. In other words, they were willing to agree to a six-mile territorial sea and a six-mile fishing zone beyond it providing they had fishing rights in perpetuity. This is important to Canada because it would mean historic fishing rights on both coasts within the outer six of the twelve miles in perpetuity. Under this proposal, a state which had fished in the outer six-mile zone of a coastal state for a period of five years, would have been able to claim the right to continue to fish in the future. The notion of traditional fishing rights was, however, opposed by a substantial number of states because it granted a favoured position to certain more developed countries.

On the other hand, a number of Latin American, African and Asian states proposed that countries should be able, at their own discretion, to choose the breadth of their territorial sea between three and twelve miles. In other words, they wanted a sliding scale. This proposal, which was supported by the Soviet Union, would have resulted in a general 12-mile territorial sea. Accordingly it was opposed by a large group of countries which feared that it would have caused substantial interference with freedom of navigation on the high seas.

In these circumstances, the Canadian government believed that only a genuine compromise solution could prove capable of resolving the various conflicting national positions. We were convinced that the reason why many states were making claims to a 12-mile territorial sea—and, mind you, if you have that, of course it takes in the fishing; it covers the whole field—was not because of any desire to interfere with freedom of navigation on the high seas, but in order to obtain a full measure of sovereignty over the living resources in the 12-mile zone adjacent to their coasts. Canada therefore concluded that a compromise formula, in order to be successful, must do two things: first, it must recognize the principle of the freedom of the high seas and, second, it must grant to coastal states the very same degree of exclusive control over offshore fisheries which they would have under a 12-mile territorial sea.

The Canadian delegation accordingly put forward at the first conference a compromise formula for a six-mile territorial sea, and for a further six-mile fishing zone exclusively reserved for the fishermen of the coastal state. In this manner the Canadian proposal would enable all states to achieve the desired degree of economic control without infringing on the principle of the freedom of the high seas.

Unfortunately, no proposal was able to obtain the necessary two-thirds majority support in plenary session of the first conference. That part of the Canadian proposal calling for a 12-mile exclusive fishing zone was, however, the only proposal to obtain a simple majority of votes in committee.

During the inter-conference period, the problem of the territorial sea and fishing limits has, as hon. members are aware, become intensified by the taking of unilateral action by a number of states. In fact, seven states or territories have proclaimed territorial sea or fishery limits of 12 miles since the conclusion of the first conference.

These developments have tended to confirm Canada's conviction that only a genuine compromise formula will be capable of emerging as international law at the next conference; that is to say, a formula which recognizes the essential interests of all states and presents a genuine middle position to which countries—I am afraid we are getting to be a middle man here on this subject.

Mr. HERRIDGE: Not a broker, surely?

Mr. GREEN: No, not a broker—to which countries favouring less extensive or more extensive limits can move together in common accord.

In the view of the Canadian government, the Canadian 6-plus-6 formula—that is a six-mile territorial sea and a further six-mile exclusive fishing zone—remains the proposal with the best chance of proving an acceptable compromise solution at the forthcoming conference; and for this reason it is the firm intention of the Canadian government to sponsor such a proposal at the conference and to work actively on its behalf.

During the past months Canada has been seeking support for this proposal and conducting discussions in capitals throughout the world. Toward this end, Canada has presented to all members of the United Nations a pamphlet entitled "The Law of the Sea—A Canadian Proposal", which was tabled in the house on January 15 and which has just been distributed to the members of the committee. This little booklet seems to be arousing considerable interest and bringing about a wider understanding of the Canadian position.

What of the prospects for the success of the conference? I think the Canadian pamphlet demonstrates that the failure of the first conference should not occasion pessimism for the success of the next. Reassuring progress was, in fact, made at the earlier meeting; it proved that there was a wide measure of agreement, not only on the desirability of adopting new rules of law, but also on the principle of the freedom of the high seas and a coastal state's right to a 12-mile fishery zone.

In the light of the probable consequences of the failure of the conference, the need for the adoption of new rules of law has become more and more pressing. Agreement at the conference will be a significant achievement and will, furthermore, testify to the international community's ability to meet its responsibilities. The chances of success of the conference will, in the final analysis, depend on the willingness of a number of states to be flexible in their positions and on their readiness to move towards a genuine compromise or "middle" formula which lies in between the positions heretofore adopted both by the western maritime powers and by a number of African, Asian and Latin American countries, and the Soviet block as well. The Soviet block is in favour of a 12-mile territorial sea.

If a number of countries or groups of countries adopt inflexible positions at the conference and are unwilling to move towards a genuine compromise formula, the prospects of success, both of the Canadian formula and, indeed, of the conference itself, will be considerably reduced. Whatever the circumstances, I can, however, assure the members of the committee that the Canadian government will continue to work actively towards the success of the con-

ference and the adoption of uniform and equitable rules of law; and, of course, we will be guided at all times by what we consider to be the best interests of Canada and of the international community.

While we are dealing with questions of water, I would like to say a word or two about the Chicago diversion problem and also the Columbia river problem. Members will recall that a bill known as H.R.1 was introduced into the United States House of Representatives in January 1959. That bill sought to obtain authority for the sanitary district of Chicago to increase, for an experimental period, the amount of water to be diverted from Lake Michigan into the Mississippi drainage basin; in other words, take water out of the St. Lawrence system, use it for sanitation purposes in Chicago and put it into the Mississippi. Canada objected to these proposals and made its objections known in a number of communications to the United States government. The bill, however, was approved in the House of Representatives and sent to the Senate, where it was eventually referred to the Senate committee on foreign relations. The chairman of that committee, Senator Fulbright, asked the State Department to secure Canada's views on a number of matters connected with the bill. This was the direction given to the State Department by the chairman of the Senate foreign relations committee.

Before discussing the subject again with the representatives of the United States we called in representatives of the province of Ontario and the province of Quebec and had a very helpful discussion with them about this whole situation. Then in due course we met the representatives of the United States and again the whole question was discussed.

The situation is this: the St. Lawrence river system looms much larger in Canadian affairs than it does in the United States picture. As most of you know—even those of us who come from the west coast and from the maritimes—the whole history of Canada originates in the St. Lawrence river system. This has been the heartland of Canada from the start, and whatever is done to that system is of vital importance to our nation. Down through the years there have been very extensive power installations on the river and many harbours built on the lakes.

The problems that would be raised by a lowering of the level of the lakes are tremendous. I know from my experience as Minister of Public Works that many of these harbours have rock on the bottom. They have not just sand bottoms that you can scoop up; it is rock that has to be blasted, and to lower the waters of the Great Lakes would constitute a very serious problem for Canada. The Americans have suggested that perhaps Ontario could divert some of its rivers which flow into Hudson Bay or James Bay to the St. Lawrence basin. I understand that that is practically impossible. It certainly is not feasible, is no answer to the request by Chicago and would not meet the difficulties raised by Chicago taking additional water from Lake Michigan. The Americans themselves are divided on this question: Milwaukee, for example, is very much opposed to Chicago, although it is also on Lake Michigan; and I think all the states from Lake Michigan down to the sea are against the Chicago plan.

Canada has taken a very firm and, I think, a very reasonable stand on this question. I am not sure of what will happen to this bill in the United States Senate during their present session; but, in any event, there has been no change in the policy adopted by the Canadian government, which has been, and is, that we are against this proposal to divert water from Lake Michigan.

Mr. HERRIDGE: Good.

Mr. GREEN: Then, with regard to the Columbia river, I do not need to go over the information which General McNaughton has given this committee down through the years about the Columbia river and its potential development. It has a huge power potential, which has been developed on the United States side, but to a very limited extent on the Canadian side.

A little over a year ago we referred to the International Joint Commission the question of working out principles under which downstream benefits would be paid to Canada for the storage of water which would be released in times of low water and thereby would increase the amount of power that could be produced in the plants on the American portion of the river.

General McNaughton and the other members of the International Joint Commission, including the American members, did an outstanding job on this reference, and in December they brought in a report which recommended to the two governments the various principles on which a cooperative plan could be based.

The water in Canada belongs to the provincial government. The only control the dominion has over it is a licensing control under the terms of the International Rivers Act, which was passed a few years ago. So this has meant that the federal government must work not only with the United States government but also with the provincial government of British Columbia. A technical committee of the two Canadian governments has been at work for many months. There has also been a policy committee at ministerial level, which includes two ministers from the Canadian government and two from that of British Columbia. Hon. Alvin Hamilton and myself have been the federal representatives, and Hon. Mr. Williston and Mr. Bonner have been the British Columbia representatives.

A few weeks ago the first meeting of the American and Canadian negotiating teams was held here in Ottawa. As you know, Hon. Mr. Fulton is heading our team, and with him are the Deputy Minister of Northern Affairs and National Resources, Mr. Robertson, and the Assistant Undersecretary of State for External Affairs, Mr. A. E. Ritchie, as well as one member from British Columbia, the Deputy Minister of Lands and Forests, Mr. Bassett.

The negotiations held here two or three weeks ago were more or less of a preliminary nature, and the next meeting is to take place tomorrow in Washington. In the meantime, last Saturday the dominion-provincial policy committee met in Victoria. Of course, I am not in a position to say what progress will be made at the meetings in Washington tomorrow, but I think there is a reasonable prospect that the terms of a treaty or agreement can be concluded fairly quickly, and also that the development of this river in Canada can be undertaken without delay.

At the moment, I cannot go into any further details, but I am sure the committee would like to call General McNaughton, to hear his evidence on this whole question. He has been the leader throughout with regard to this particular problem, and I know he would supply some very interesting information.

Mr. HERRIDGE: I am sure the committee unanimously agree with that suggestion.

Mr. GREEN: I thought they would.

Then there are three or four other subjects I should like to deal with. One has to do with the preparations for the east-west summit conference. These are going forward on the western side through the North Atlantic Treaty Organization, and also through special working groups established for the purpose, to prepare western positions on the subjects which will be taken up at the summit meeting.

It was indicated by the three negotiating powers—that is, the United Kingdom, the United States and France—after the western heads of government meeting in Paris in December, that particular interest would be shown at the summit in problems relating to Germany, including Berlin, disarmament and east-west relations. The Soviet premier will undoubtedly have some subjects of his own to suggest, but it is a matter of satisfaction that by avoid-

ing a question of a formal agenda and proposing merely that the summit meeting consider international questions of mutual concern, the western powers have got around at least one of the stumbling blocks that last year delayed east-west negotiations.

On the western side, working groups have been established, all of them in close association with the North Atlantic Treaty Organization, to draw up recommendations for the positions to be adopted by the west. To meet the requirements of consultation and joint effort, certain new methods and procedures have had to be worked out and I am glad to say that in the period since the NATO ministerial meeting in December satisfactory arrangements have been drawn up. A five-power working group on disarmament, on which Canada is represented, began meetings in Washington on January 25. It is, of course, also preparing for the meetings of the ten-power disarmament committee which is to start in Geneva on March 15. Meetings are also being held in Washington of a four-power working group, composed of the United States, United Kingdom, France and West Germany, on Germany and Berlin.

Similarly, the three negotiating powers are examining in close consultation with their NATO allies the possibilities to be pursued in the realm of east-west relations. The NATO council has a direct representative on that working group. These groups report on their work to their own governments and to the NATO council.

In coming weeks there will be other forms of consultation in addition to the regular arrangements conducted through the NATO council. For example, I shall be going to Washington in mid-April for consultations with other foreign ministers on summit preparations as they relate to disarmament.

Perhaps the most important of such gatherings will be the annual spring ministerial meeting of NATO which is to take place in Istanbul, Turkey, from May 2 to May 4. This will be a meeting of NATO foreign ministers, and we will have the opportunity on that occasion to examine carefully the results of the work of the various preparatory groups and to make recommendations to the three powers who will be participating in the summit meeting discussions commencing May 16.

It is proposed that very shortly after the summit meeting the foreign minister of the three powers—that is, again, the United Kingdom, the United States and France—will meet with the permanent council of NATO to inform council members of the results and to consult with them on further steps to be taken.

The disarmament working group will be reporting to the NATO council next week. This is all being done, of course, in order to keep the various member nations of NATO fully informed of the current situation and also to get their suggestions.

Now, a word about Laos. I know you all know where that is. It is part of the former Indochina, out in south-east Asia.

One of the problems which has given rise to considerable concern in the past few months has been the disturbed situation in Laos. We really have had some sleepless nights about this question.

In August the Laotian government received reports that fighting had broken out in the north-eastern part of the country between the Communist-orientated Pathet-Lao and Laotian government forces. At that time the Laotian government stated that the Pathet-Lao were being given active assistance by North Vietnam and on September 4 it appealed to the Secretary General of the United Nations for assistance in halting "aggression", and in preventing the spread of fighting.

Canada has had a direct interest in Laos since the 1954 Geneva conference when we were named along with India and Poland to the international

commissions to supervise the cease-fire agreement for the three states of Indochina, that is, the three different commissions, for Laos, Cambodia and South Vietnam.

The commission for Laos was adjourned sine die in July, 1958 at the request of the Laotian government, following the completion of the political settlement envisaged by the cease-fire agreement.

While the commission has remained in adjournment, Canada has nonetheless maintained its interest in Laos, and we viewed the disturbances of last summer with considerable concern.

It has been the view of the Canadian government that the framework established by the Geneva conference, which has done much to maintain the peace and stability of Indochina, does not preclude the United Nations from playing a part in relieving international tension in the region. The United Nations has a legitimate interest in that area, and can play an important part in supplementing the arrangements made at Geneva. The arrangements made at Geneva were not arrived at under the United Nations.

When the Laotian appeal was discussed by the security council last September, the Canadian delegation supported the resolution to establish a subcommittee to inquire into the situation.

The Canadian representative pointed out during the debate that the government of Canada had maintained a consistent position that the principles of the Geneva settlement should be maintained and that the obligations arising out of it rested on all parties who participated in it.

It was not considered, however, that the security council would be justified in attempting to recall the international commission against the wishes of the Laotian government—that is, we did not think that the United Nations security council should ask that the commission should be reconvened. This commission is composed of India, Canada, and Poland. That is the membership of all three commissions.

Canada therefore was in agreement with the proposal to set up a subcommittee of the United Nations Security Council. Our thinking, was that if a United Nations presence could be got into Laos, it would stop any spread of the trouble. We thought that would be the most effective way to stop a small brush fire becoming what might have been a very serious war in the area, or what might have in fact precipitated a world war.

The report of the security council subcommittee which was made public early in November noted that it was not clearly established that regular North Vietnamese troops had actually crossed the border to assist the rebels, but that the Pathet-Lao had received support from North Vietnam in the form of equipment, arms, ammunition, supplies and “the help of political cadres”.

Since the publication of this report the secretary general, Mr. Hammarskjöld, has visited Laos to gain a personal knowledge of the situation, and has named a personal representative, a member of the United Nations secretariat, to report on the economic situation in Laos.

We understand that a proposal for co-ordinated action by the United Nations and the specialized agencies to assist Laos in the development of the basic sections of its economy is now under consideration.

In Laos itself a new cabinet which was formed early in January is preparing for general elections which are slated to be held on April 24. The government has announced that as far as external affairs is concerned it will follow a policy of neutrality and will respect international agreements concluded by the previous governments, including the Geneva agreements.

The military disturbances in the country have lessened since the visit of the security council subcommittee in September and October. A potentially dangerous situation still exists, but it is hoped that this may be lessened by the continued interest of the United Nations and the continued adherence of the Laotian government to the Geneva agreements.

Another subject on which brief comments might be helpful is the question of outer space.

The great strides made in the fields of ballistic missiles and outer space vehicles have redoubled the urgency of the disarmament question.

At the same time, the prospective benefits to be derived from the peaceful uses of outer space and from the establishment of the rule of law in outer space are immense. For this reason the Canadian government supported the resolution adopted at the last general assembly creating a permanent committee in this field on which Canada will serve with some twenty-three other countries—that is, for the peaceful uses of outer space.

In 1958 there was a committee set up on outer space composed of eighteen members, of which Canada was one. But Russia and other communist nations refused to participate because they said that the membership of the committee was not fair; and because they would not participate, several other nations on the committee including the United Arab Republic and India, also refused to participate, so the committee was “stymied” from the start.

The situation has now been changed. The committee has been increased to twenty-four and it is hoped that now they will proceed. The set-up of the present committee is twelve from the western countries, six from the Soviet bloc, and six from the uncommitted nations.

It is encouraging that the contentious issue of membership was resolved in a way which makes it possible for the Soviet Union to participate in the challenging work of the committee.

As Mr. Nesbitt told the assembly, it is our hope that one of the achievements of the new committee on the peaceful uses of outer space will be the formulation of a rule, and the finding of means to gain universal acceptance of that rule, that no part of space or any celestial body may be appropriated by or subjected to the jurisdiction of any state.

In other words, there is to be no national claim to outer space—we hope. It is expected that the first meeting of the new committee will open in New York on March 15.

In addition to making plans for the conduct of its future work in technical and legal fields, the committee will concern itself with arrangements for the holding of an international conference on the peaceful uses of outer space, possibly this year.

Mind you, in addition to peaceful uses of outer space, this outer space question also involves problems for the disarmament committee. And a lot of thought is being put on that subject in the disarmament committee.

I have some notes here on radiation, but I shall not take up the time of the committee to go over them.

I have a few brief comments on Canadian membership on the permanent court of arbitration.

Canada has decided to support actively the permanent court of arbitration, and her ambassador in The Hague will represent Canada on its administrative council.

Forty-four other countries are members of the court which was established in 1899 for the settlement of disputes between states.

The permanent court of arbitration is in many respects a complement to the international court of justice in that it provides an informal and more flexible arbitration machinery for dealing with international disputes than that provided by the international court of justice.

Experience has shown that this informal type of arbitration machinery is under certain conditions a preferred medium for handling international disputes.

Also, of course, the arbitration court plays a part in the appointment of judges to the international court.

Our active participation in the activities of the permanent court gives further evidence of Canada's desire to strengthen the rule of law in international affairs and to re-affirm the importance of the role of arbitration.

The jurisdiction of the international court of justice has all the characteristics of a formal court of last resort with its jurisdiction being limited to the strict terms of reference provided for under the terms of the statute of the court, having particular regard to article 36 of the statute. By contrast, the permanent court of arbitration provides a flexible, informal arbitration type of machinery for dealing with disputes.

It was thought at the end of the war that the international court of justice would, for all practical purposes, replace the permanent court of arbitration. However, the attitude of the Soviet bloc countries to the international court has been one of uniform hostility while the Asian countries have shown reluctance to use the international court which, it appears, they regard as a body dominated by western legal systems and traditions. It is therefore significant that the U.S.S.R. and some Asian countries have responded favourably to the recent move to support actively the old court; it would tend to confirm indications, particularly with respect to the U.S.S.R., that those countries may in certain circumstances prefer recourse to arbitration rather than accept to submit to the jurisdiction of the international court.

It is also believed that the permanent court provides a useful alternative to the international court when a discreet approach is indicated and the publicity attending the international court is not desirable.

Finally I have a few words to say about the Colombo plan.

Mr. MARTIN (*Essex East*): Do you not intend to say anything about the observations made by the Prime Minister with regard to Canada joining with the United States and other countries in respect of the question of domestic jurisdiction under the compulsory clause?

Mr. GREEN: That is under the international court of justice.

Mr. MARTIN (*Essex East*): I take it that you did not intend to deal with that point.

Mr. GREEN: No; not at this stage.

Finally I would like to take up the Colombo plan and some of the other assistance programs. We have a summary here headed Canada's economic aid programs. It is in the nature of a report to the standing committee on external affairs. Perhaps this might be distributed now. It may be helpful to the members of the committee if this report could be printed in the proceedings of evidence of the committees.

The CHAIRMAN: Is that agreeable to the committee? Agreed.

(*See Appendix "A"*)

Mr. SMITH (*Calgary South*): Could the statement on radiation which the minister did not read be also made a part of the proceedings?

The CHAIRMAN: What is the wish of the committee?

Mr. GREEN: It is fairly short. Perhaps I might read it.

Mr. SMITH (*Calgary South*): I thought that if you did not wish to read it you might put it on record.

Mr. GREEN: It may be that this report needs a little expurgating. I would like to read it, rather than put it in the way it is.

I will now go back to the report on radiation. It is probably all right but I would like to read it.

At the last assembly the Canadian delegation took a vigorous lead in seeking to further the work of the United Nations scientific committee on the effects of atomic radiation in regard to the urgent need to fill the gaps that remain in man's knowledge of the nature, levels and effects of radiation. Of particular concern was the effect on the health of human population. I had drawn the attention of the house on July 9 to the desirability of improving and enlarging the data available to the committee. The same view was expressed in the general assembly when I said, "There is widespread concern that we should be able to assess more accurately than is now possible the nature and extent of the hazards resulting from the addition of man-made radiation to that which already occurs in nature".

From the outset the Canadian initiative enlisted a wide measure of support from virtually all the main geographical areas and political groupings represented in the assembly. Nevertheless, lengthy negotiations were required to overcome the initial Soviet opposition to any suggestion that the scientific committee might play an executive and administrative role or to any proposal removing from governments themselves responsibility for collection and analysis of radiation samples. In the end a resolution embodying the Canadian objectives was co-sponsored by Canada and ten other countries and unanimously approved by the assembly—in some cases with more enthusiasm than in other cases. In introducing this resolution, I announced that Canada was "prepared to receive from other states radiation samples collected according to methods recommended by the scientific committee in consultation with the appropriate specialized agencies, and to analyse such samples in the Canadian government laboratories which handle Canada's domestic sampling program. If other governments indicate their readiness to participate in such a cooperative program of collection and analysis, the Canadian government, as an initial offer, is prepared to receive and analyse on a regular basis samples of air, water, soil and food from 20 to 25 foreign sampling stations in each category".

Since that time steps have been taken to make ready in Canada the facilities to meet such requests for analysis as may be received. The scientific committee has recently held its 7th session in New York where further careful consideration has been given to the best means of encouraging relevant biological and genetic studies, of improving physical measures for the study of fallout and of obtaining more data on levels of Sr90 and Cs137 in soil.

In response to the invitation in the assembly resolution, the governments of Argentina, Italy, Japan, Norway, the United States and the U.S.S.R. have followed the Canadian lead in offering their laboratory facilities, at the request of other governments, to receive and analyse samples in accordance with the work of the committee.

Quite separately from the above offer of assistance in relation to the study of radiation, the services of a Canadian radiation technician, Mr. John D. Marr of Atomic Energy of Canada Limited, have been provided to the government of Ghana. Mr. Marr, who is an expert in the Canadian fallout sampling program for the measurement of radio-activity, arrived in Accra on February 3 to assist in setting up air sampling stations which the government of Ghana will construct under its radiation monitoring program.

Ghana of course is very much interested in this whole question of radiation as are all African countries.

Mr. HERRIDGE: This is a matter of great concern to the Canadian people and I am very pleased that the minister has made a statement on this.

Mr. GREEN: I was interested and gratified last week to learn of the setting up of a committee in Canada to deal with the whole question of radiation

under the chairmanship of Dr. Hugh Keenleyside who, members of the committee know, for many years was in government service here and later served with the United Nations.

I am confident that the work of that committee will be very helpful in furthering the ends that the government and, I am sure, all members of parliament have in mind.

To get back to the assistance programs I will deal first with the Colombo plan.

One of the most vital questions facing nations of the world today, both small and large alike, is the disparity between the living standards of the developed and under-developed countries. This question is important not only because of its obvious humanitarian aspects, but also because of the very significant implications it has for continued peace and prosperity throughout the whole world. Peace in the world is not likely to be a lasting state of affairs if this problem cannot be substantially solved. I believe the great majority of Canadians recognize that Canada, as one of the more fortunate nations, has an obligation in this respect and give their support to the efforts this government is making to contribute to the economic development of less fortunate nations and to raise the living standards of their peoples.

Canada's major effort to aid under-developed countries has been made through the Colombo plan, which is designed to foster the economic development of the nations in south and south-east Asia through co-operative programs of assistance. We are associated in the Colombo plan with our sister nations of the Commonwealth in Asia, and it is, therefore, a particularly appropriate instrument for Canada's aid activity.

I might remind the committee that, at the Commonwealth trade and economic conference at Montreal in 1958, Canada undertook to ask parliament to vote \$50 million for the Colombo plan in each of the three succeeding years, an increase of close to 50% over the highest contribution Canada had previously made to the plan.

By the end of the present fiscal year, Canada will have contributed more than \$280 million to the Colombo plan. With these funds Canada has made significant contributions to the economies of the Asian members of the plan. We have helped to construct hydroelectric and irrigation projects, such as the great Warsak project in Pakistan, which is now nearing completion. Canadians who have seen Warsak are justifiably proud of the tremendous changes it has wrought in the lives of the tribesmen of the northwest frontier, and of the impact it will have on the economy of West Pakistan. Two or three weeks ago I had the opportunity to read quite a few articles in the Pakistani press and, certainly, there is no doubt that Canada was getting full credit for her part in the program.

In India we have almost completed the construction of the Canada-India reactor which will bring to the people of that part of Asia the benefits which flow from the peaceful uses of atomic energy. Canada is engaged in many other projects in India and Pakistan, but one which concerns both these countries and is of special significance for Canadians is the Indus waters scheme, about which I made an announcement a few days ago. Through diligent and praiseworthy efforts by the international bank, a plan has been worked out for the settlement of this important issue which, for many years, has clouded good relations between two of our commonwealth partners in Asia, India and Pakistan. As I informed parliament on February 29, Canada has agreed to contribute \$22.1 million over the next ten years to the development fund for the Indus basin proposed by the international bank. It is proposed that part of our increased Colombo plan contribution will be devoted to this very worthy cause, thus enabling Canada to assist in the solution of this issue.

Canada has made substantial contributions also to the economies of the non-commonwealth members of the Colombo plan. Of special interest to the committee will be the Mekong river project, which is expected to bring great economic benefits to Cambodia, Laos, Thailand and Vietnam, three of which countries I referred to a few moments ago. In connection with this project in which we are cooperating with the four states I have just named, as well as with certain other countries and the United Nations, Canada is now conducting an aerial survey of the main stem and tributaries of the Mekong river flowing down through the centre of the southeast Asia peninsula which, when it is completed, will enable these four southeast Asian states to move ahead with plans to develop the resources of this great river system. The cost of this survey is being met out of Colombo plan funds.

In addition to the large capital projects such as those I have mentioned, Canada makes a significant contribution to the economic development of our Colombo plan partners in Asia through our technical assistance programs. We are sending Canadian experts to Asian nations to share with them our knowledge of modern technology and we are continually receiving in Canada Colombo plan trainees who come to this country to study in our universities and schools and to learn industrial techniques and methods of administration. More than 160 Canadian experts have gone abroad and, at the present time, there are some hundreds of trainees from underdeveloped countries taking courses of study in Canada.

Not long ago I had the pleasure of meeting a large group of these trainees here in Ottawa. I am sure that members of the committee who shared that pleasure were impressed, as I was, with the high quality of the trainees and particularly with the great good will they hold toward Canada. It seemed to me that this was an excellent illustration of the way Canada's participation in the Colombo plan serves not only to bring economic benefits to those countries which need them so badly but also to contribute materially to a better understanding between the people of Canada and the people of Asia. I think it is generally agreed that this portion of the plan which involved the bringing of young leaders from these different countries to Canada is extremely beneficial to Canada and to the countries from which they come.

Last month marked the tenth anniversary of the concept of the Colombo plan. Canada and the other members of the Colombo plan can rightly be proud of what the plan has done in ten short years to improve economic conditions and living standards of our Asian partners. But the rate of economic expansion in those countries is still slower than we should like it to be. Much remains to be done. The problems of the economically underdeveloped countries are vast and complex and do not lend themselves to quick or easy solutions. In recognition of this, it was decided at the annual meeting of the Colombo plan consultative committee held in November at Jogjakarta, Indonesia, to extend the plan for another five years; that is until 1966, and to consider before the end of the five-year period the possibility of a further extension. Canada fully supported this decision and we intend to go on supporting the Colombo plan to the best of our ability and to the greatest extent our resources permit.

Next is the commonwealth assistance programs. Canadian aid to underdeveloped countries is not, of course, restricted to the Colombo plan. Since 1958 we have been engaged in a \$10 million program of aid to the West Indies which is to last for five years. We feel a special kinship to the people of the West Indies who are struggling to establish within the commonwealth a new nation, able to stand on its own feet, and to give its inhabitants a decent standard of living. The largest single item in our assistance to the West Indies is the construction of two ships for inter-island traffic at a cost of approximately \$6 million. A number of Canadian experts are being sent to the West Indies

to advise the authorities there on various aspects of their development program and to help train and instruct West Indians in the techniques required in a modern economy.

This government is keenly aware as well of the needs of the newly independent and emerging states of the commonwealth in the great continent of Africa. At the Montreal conference Canada announced a \$500,000 technical assistance program for these states. I am pleased to report to the committee that within the last year this new program has enabled us to receive just under twenty trainees from Africa and to meet several requests for the services of Canadian experts.

Another plan is that providing for commonwealth scholarships. The commonwealth conference on education held at Oxford, England, last summer marked another milestone in Canadian efforts to contribute to the development of our commonwealth partners. This conference approved a Canadian proposal for an exchange of high level academic scholarships between the different parts of the commonwealth. It was agreed that a total of 1,000 scholarships be exchanged and Canada undertook to place 250 students from other parts of the commonwealth in Canadian universities and other educational institutions at a cost of about \$1 million annually. To guide Canada's participation in the important new scholarship plan, the government has appointed a Canadian commonwealth scholarship committee and this committee is working smoothly in receiving applications from students in other commonwealth countries who wish to study in Canada, and processing the applications of Canadians who wish to study abroad under this plan. This committee is set up under the organization of Canadian universities; they have been very active and have rendered helpful assistance.

Mr. MARTIN (*Essex East*): Could you give us the names of that committee?

Mr. GREEN: No, but I will get that information. There is a committee and, in addition to that, there are several subcommittees.

At the Oxford conference the more advanced countries agreed to provide assistance to their less developed partners in the general field of education. Canada undertook to provide assistance by sending teams of teachers abroad to assist in training teachers in other countries and to receive trainees for the same purpose in this country.

Then, United Nations assistance programs. The United Nations and its affiliated organizations have a very important part to play in the world-wide efforts to assist the underdeveloped countries and in the various United Nations programs Canada is making a contribution fully in keeping with our responsibilities and capabilities. We have actively supported the United Nations expanded program for technical assistance since its inception in 1950. This program is financed by voluntary contributions by governments and is designed to provide experience, training facilities and technical knowledge on request, to underdeveloped countries. Canada has contributed \$2 million to this program in each of the past three years.

A new institution called the United Nations special fund was established in 1959 to help under-developed countries undertake projects which would be beyond the resources of the expanded program of technical assistance. In its short life, the fund has shown excellent promise and the government proposes to contribute \$2 million to the special fund in its second year.

Finally, a word about other multilateral programs. The international bank and the international monetary fund also play an important role in assisting the under-developed countries, especially the International bank, which has been a notably successful institution for the extension of development loans. The governors of the bank and the fund adopted early in 1959 proposals for increasing the resources of both organizations, which were acted upon by

Canada. In the case of the IBRD the Canadian subscription has been raised from \$325 million to \$750 million and Canada's quota in the IMF has been increased from \$300 million to \$500 million. Canada participated in the discussions in the bank on the establishment of a new organization called the international development association. The purpose of the IDA, as it is commonly known, is to provide development funds to the less developed countries on terms less onerous than are normally available to them. Canada and the other members of the international bank have been given an opportunity to participate in the proposed IDA and the government will be giving careful consideration to that possibility.

Those are rather sketchy summaries of different subjects. I have no doubt there are various other questions in which the members of the committee would be interested, and I would be very glad to deal with these other subjects as they are brought up.

Mr. VALADE: Concerning the Canadian scholarship committee, can you tell me if the university of Montreal and the Laval university were included in this plan?

Mr. GREEN: I think that all the members of the universities federation—which includes, of course, the university of Montreal and Laval university—have a man either on the main committee or on one or other of the subcommittees.

The CHAIRMAN: I was wondering if the committee would prefer to start where the minister started, with the law of the sea, and take each division as the minister dealt with it.

Mr. HERRIDGE: That would make for an orderly reading of the record.

The CHAIRMAN: Yes, instead of wandering all over the lot. Are there any questions, then, arising out of the minister's statement regarding the law of the sea?

Mr. REGIER: I would like to ask the minister, if I may, what has happened to the old proposal that our rights be extended to a line from land's end to land's end. Was that discussed at all in international gatherings, or has that been discarded?

I think the minister will know that the people in British Columbia were particularly anxious to have a line established from land's end to land's end.

Mr. GREEN: If you remember, Mr. Regier, I pointed out that agreement had been reached on many of the different problems in connection with the law of the sea in 1958, and this particular question was one upon which agreement was reached at that time. In other words, what they call a straight base line system was agreed to at that time. Mind you, these other articles have not yet been ratified. Agreement was reached on them, but they have not yet been ratified, in the hope that at the conference this year agreement could also be reached on the two remaining questions, the territorial limits and the fishery limits

Mr. REGIER: Is the minister's term, "a straight base line", identical with the term that was often used in the House of Commons, a line from land's end to land's end?

Mr. GREEN: The legal term, apparently, is a "straight base line system", and I understand that means from headland to headland.

Mr. HERRIDGE: Mr. Chairman, the government's suggestion with respect to the law of the sea, listening to the minister—I have not had the opportunity of reading this booklet, but I will do so—seems a very successful one: it seems a very successful compromise.

Is the minister hopeful that finally there will be some agreement reached along those lines?

Mr. GREEN: Yes, we are very hopeful that the Canadian plan will be accepted. Of course, no one can tell what the result of the conference will be. Canada is very much interested in the two different sides of the proposal; first of all, the 12-miles fishery zone. Mind you, the first six miles would be covered because that would be within the territorial limits. Then in the outer six miles states would have exclusive control over the fishery. The whole 12 miles would be protected for fishing. We are very much interested in that, and also, of course, in having the territorial limits extended from three miles to six miles.

Mr. BATTEN: Could I ask the minister if in the discussion on this 12 miles limit the water pollution by oil will be considered. This is a very important point for those of us in Newfoundland, and I understand that the Newfoundland board of trade has within the last three or four days made some representations to the cabinet.

On this question of oil pollution, would it be a six-mile limit, or would it go on to 12?

Mr. GREEN: Subject to correction, I would think that the control would be only over the territorial waters, which would be the first six miles. The outer six miles—that is, from the six miles to the 12 miles—would give us control over fishing.

Mr. BATTEN: Yes. My argument, Mr. Minister, is that while these six miles would enable control over the fishery, I presume conservation measures for the fishery would be considered, and at the same time we might consider the conservation of these sea birds.

Mr. GREEN: How am I going to name a sea bird a fish?

Mr. BATTEN: Maybe you could include that in the outer six miles?

Mr. GREEN: I can see where we would have control over the conservation of fish in the outer six miles, but how can we conserve the sea birds in that?

I realize this is a very serious problem, and I found out yesterday, after I left the house, that it comes under the Department of Northern Affairs and National Resources, under the Migratory Birds Act, but this is not included in the subjects to be dealt with at the conference on the law of the sea.

Mr. BATTEN: That is what I wanted to know.

Mr. SLOGAN: You mentioned specifically fishing rights and the right of passage of foreign ships in the outer six miles. Is there not going to be a question of residual powers there? Would they remain with the country whose territory is adjacent thereto? I am thinking now of the importance of certain seaweeds, and so forth. There is a lot of research being done into the use of that in foods and in dentistry. For example, we use it for certain impression pastes, and so forth.

Looking to the future, this under water vegetation might become important. Will these residual powers remain with the state, concerning the outer six miles, or is there any plan on them being considered at all?

Mr. GREEN: I would think that would come under the articles which have been agreed to with regard to the continental shelf. Those articles have to do with resources on the continental shelf adjacent to each coastal country. For example, with any oil that might be discovered on the continental shelf. I would think sea weed would be covered under that particular part of the agreement. In my judgment, it would not come under whatever fishing rights are agreed upon.

Mr. HERRIDGE: Mr. Chairman, on that point of oil being discovered: if there were oil discovered off the coast of British Columbia would that be the property of the Crown and the right of the federal government or the province?

Mr. GREEN: I am only dealing with External Affairs. That question is very much a matter for the Minister of Justice, I think.

The CHAIRMAN: Mr. Martin and then Mr. Regier.

Mr. MARTIN (*Essex East*): I wonder if you could tell us whether or not there are indications that the United Kingdom now might support the Canadian position?

Mr. GREEN: No, not at the moment, Mr. Martin.

The United Kingdom, of course, is in favour of the six-mile territorial sea, and I presume it would support the further six-mile fishing limit, provided historical rights were preserved. The Americans brought forward a proposal of that kind at the last conference, which was dubbed, the six-plus-six, minus-six proposal.

Mr. MARTIN: Has any nation taken the position at the conference that it does not propose to be bound by decisions in which it has not concurred?

Mr. GREEN: Well, of course, any nation could take that position.

Mr. MARTIN: No, but have they?

Mr. GREEN: We would hope they would not do so.

Mr. MARTIN: I am wondering if any nation has stated that.

I saw something the other day, where there was a story in the *Washington Post* in which it was suggested the United States would likely take that position, or make such an announcement at the conference when it reconvened.

Mr. GREEN: I have no information to the effect that any nation would take that stand.

I think practically all of the nations are very anxious to see an agreement reached rather than allowing the whole situation to remain completely chaotic.

The CHAIRMAN: Mr. Regier, and then Mr. Pearson.

Mr. REGIER: Before we leave the Canadian proposal of the six-plus-six, is the proposal which has been agreed to—the Minister indicated with regard to the base line—that independent of the six-plus-six, or is it proposed that the six-plus-six formula begin to apply at the base line?

Mr. GREEN: My understanding is it will be measured from the base line.

Mr. REGIER: Because it would mean a tremendous difference on the west coast.

Mr. GREEN: Yes.

Mr. PEARSON: May I ask the minister whether under the Canadian plan the United States would claim its historic fishing rights off the Canadian coast?

Mr. GREEN: Under the Canadian plan there would be no recognition by the conference of any historic fishing rights.

Mind you, Canada is prepared to negotiate—either on a bilateral basis or on a multilateral basis—with those countries which claim historic fishing rights off the Canadian coast, and that would include the United States.

Mr. PEARSON: In other words, the position of the United States with regard to fishing off the Canadian coast would not be altered by the Canadian plan?

Mr. GREEN: Yes, it would be. If the Canadian plan is adopted, then, under international law, there would be no historic fishing rights off the coast of any country, unless possibly by existing treaty. But we are not taking the arbitrary stand that we will refuse to negotiate bilateral agreements. We would be willing to negotiate with the United States, or with Spain or Portugal or France, for the disposition of these so-called historic rights.

Mr. PEARSON: So the Canadian government takes the position that all these rights would be ended under the Canadian plan, but they would be open to re-negotiation by any country which considered it desirable?

Mr. GREEN: Not to "re-negotiation". That is not the right word, but we would be willing to negotiate concerning, for example, the time given for them to be wiped out.

Mr. PEARSON: Until that negotiation took place, the United States—to take them as an example—would have to give up their existing historic fishing rights?

Mr. GREEN: The United States knows that we are willing to negotiate on that question.

The CHAIRMAN: Mr. McCleave.

Mr. MCCLEAVE: There is a suggestion in the pamphlet that this would be a do-or-die conference: that is, if it is not solved now it would not be solved for a long time to come.

I wonder if the minister would mind elaborating on that remark?

Mr. GREEN: It is our opinion that if agreement cannot be reached at this conference probably it will be a long time before any international agreement is reached. That would mean that individual countries would assert their claims, one after the other, as they saw fit. It would mean chaos so far as the law of the sea is concerned.

Mr. MCCLEAVE: Is one of the reasons because this is one of the largest, if not largest, legal international conference ever assembled, and it is extremely difficult to get the parties to come together?

Mr. GREEN: Did you say "legal" conference?

Mr. MCCLEAVE: Yes.

Mr. GREEN: I do not know whether you have in mind that the lawyers are responsible for the problem?

Mr. MCCLEAVE: No.

Mr. GREEN: The fact is this is a really difficult question, and the different nations take their stand based on their own background, and it is not easy at all.

For example, the British-Icelandic dispute is a very difficult question. The Icelanders cannot see why the British should have the right to take fish within twelve miles of the Icelandic coast; and the British trawler association cannot see why they should not be able to take fish up to the three-mile territorial limit, which they have been doing for decades.

It is a difficult question because of the past, and because different countries have different interests, and so on.

Mr. SLOGAN: I was wondering what the situation was in the gulf of St. Lawrence. Are those considered our territorial waters, or are they considered international waters?

Mr. GREEN: The answer to that is that on February 8, 1949, shortly before the union of Newfoundland with Canada, the then Prime Minister, Rt. Hon. Mr. St. Laurent, made the following statement, to be found in *Hansard* at page 368:

We intend to contend, and hope to be able to get acquiescence in the contention that the water west of Newfoundland constituting the gulf of St. Lawrence shall become an inland sea. We hope that, with Newfoundland as a part of Canadian territory, the gulf of St. Lawrence west of Newfoundland will all become territorial waters of Canada, whereas before there would be only the usual off-shore portion that

would thus become part of the territorial waters. Of course that is a matter which is not governed by statutes; it is governed by the comity of nations. It is our intention to assert that position and it is our hope that it will be recognized as a valid contention.

The government sees no reason for departing from the principle enunciated in this statement. That is the situation.

Mr. SLOGAN: Will this be considered at this law of the sea conference?

Mr. GREEN: No, the conference will be considering general international law and not specific cases.

Mr. SLOGAN: Our stand at the present time is that we do have sovereignty over the waters in the gulf of St. Lawrence?

Mr. GREEN: Yes.

The CHAIRMAN: Miss Aitken?

Miss AITKEN: Will that apply to historic bays like Hudson Bay?

Mr. GREEN: I will get an answer to that. Evidently the situation there is that we assert that these are Canadian territorial waters, but that the claim is not officially recognized.

Mr. MARTIN (*Essex East*): May we clear up something arising out of Mr. Pearson's question. The minister said that, saving an agreement at the conference, Canada had indicated her intention to negotiate with the United States with regard to fishing rights enjoyed by that country. I take it that it is clear that the only negotiations which would be undertaken with Canada would be as to when those rights on the part of the United States would cease?

Mr. GREEN: That is right.

Mr. REGIER: Has the Canadian plan of the law of the sea been submitted to the Pacific salmon fisheries commission, and if so, what was their reaction to it?

Mr. GREEN: I do not believe it was submitted to the Pacific salmon fisheries commission. I do not know whether you mean the Fraser river commission?

Mr. REGIER: Yes.

Mr. GREEN: But it has been very widely circulated and all the fishing people, both the fishermen and the fishing industry, know all about it. I have yet to hear of anyone in Canada who is opposed to the plan.

Mr. REGIER: This commission is an international commission because it has American representatives on it. Have they made any representations in regard to the Canadian proposal?

Mr. GREEN: No.

Mr. PRATT: We have heard a discussion concerning a base line on the west coast from headland to headland. Is there any similar discussion in respect to the east coast?

Mr. GREEN: It would apply to all the seas in Canada, and that would include the waters in the east. It has world wide application.

Mr. PRATT: This would cover the Gulf of St. Lawrence and Hudson Bay?

Mr. GREEN: Not alone, not in itself, no. Mr. St. Laurent referred to the Gulf of St. Lawrence as an inland sea.

Mr. PRATT: Mr. St. Laurent referred to a very hazy area west of Newfoundland. It is not a very complete description of any area.

Mr. GREEN: That would cover all the waters west of the west coast of Newfoundland which would include the whole of the gulf of St. Lawrence.

Mr. CARDIN: Would the minister give us the names of the people who will be attending the 1960 conference on the law of the sea?

Mr. GREEN: I will have to get that. I do not have it here.

The CHAIRMAN: Shall we now go on to the Chicago drainage question?

Mr. PEARSON: In connection with the Chicago diversion, the minister said—if I recall him correctly—that it is impracticable to compensate for the diversion by diverting waters from those rivers which drain into Hudson bay, into the Great Lakes system. Is it not a fact that this has been done in connection with the Ogaki river?

Mr. GREEN: Yes, there has been some diversion; but what I was referring to was the impracticability of diverting further water into lake Superior.

Mr. PEARSON: To what extent has this diversion become balanced through the opening up of the Steep Rock iron mine? To what extent has it compensated for the Chicago diversion?

Mr. GREEN: I shall have to get that information. We do not have it.

Mr. PEARSON: That is one of the recent arguments that the Chicago people put forward when dealing with this matter, that it could be considered a compensatory diversion.

Mr. GREEN: We dealt with all possible diversions when we conferred with the Americans, and I think they were pretty well convinced that it was impossible to have further diversion. But I shall get that information for you.

Mr. SLOGAN: If this convention we propose, is adopted will that mean that we will give up our sector theory to the right of sovereignty in the arctic?

Mr. GREEN: No, this has nothing to do with the sector theory in the arctic.

Mr. MARTIN (*Essex East*): In connection with the bill submitted in the Senate, I take it we have made formal representations with regard to that measure as well as to the recent bill which is before the Senate, sponsored by Senator Douglas?

Mr. GREEN: You mean with regard to the Chicago diversion?

Mr. MARTIN (*Essex East*): Yes.

Mr. GREEN: Yes, we had this conference with the Americans and we made our position very clear.

Mr. MARTIN (*Essex East*): That was as of what date?

Mr. GREEN: Oh, that was about the middle of January.

Mr. PEARSON: I presume we have an assurance from the American government that we are not in any way affected by actions taken in the courts by people who are seeking to bring about a diversion through judicial rather than by legislative action?

Mr. GREEN: Our position has been throughout that we cannot agree to any such diversion.

Mr. PEARSON: My question was directed to the fact that last year an attempt was made, and the matter has not yet been disposed of. I understand an attempt was made to obtain a judicial declaration in the United States with regard to the right of diversion, and that at the time we made representations with respect to this. But are we satisfied that we would not be so bound, and have we received assurance from the government of the United States that they would interpret any judicial action as we do ourselves?

Mr. GREEN: We take the position that the diversion could only be done by international agreement, and that of course we would not be bound by a decision of the United States court; and the American government knows that.

Mr. PEARSON: But have they indicated to us that they agree with us?

Mr. GREEN: I think they are a party to this action, and I think they are taking that position.

Mr. PEARSON: That is the difficulty. We could still find ourselves in a situation where legislative action was dropped and where they could proceed in court, and the court could hold that a certain diversion could take place. While we would be parties to that judgment, that could not apply in international comity, and we could not be bound or affected. It would be important to know that the United States government would not allow any judicial decision of that kind to apply to us; in other words, that they would not agree to a diversion.

Mr. GREEN: We understand the United States government recognizes this is a joint matter between the United States federal government and the Canadian federal government and would act accordingly.

Mr. MARTIN (*Essex East*): It would certainly be international discourtesy if they did not.

The CHAIRMAN: The matter of the Chicago diversion and the St. Lawrence Great Lakes water basin are quite closely linked. The next matter is the St. Lawrence and Great Lakes water basin and any questions being asked now are quite relevant to the St. Lawrence and Great Lakes seaway. Are there any questions on that item? If not we will pass on the Columbia River.

Mr. HERRIDGE: Mr. Chairman, this is a matter of great interest to all Canadians, particularly those in British Columbia. In view of the many engagements which General McNaughton has and the very immediate and current nature of the issue, will the minister tell the committee when it will likely be convenient for General McNaughton to appear before the committee?

Mr. GREEN: I would think whenever you would like to have him.

Mr. HERRIDGE: It has been the practice of this committee in the past to call General McNaughton when we reached that item in the estimates. I would suggest that we do not follow that practice on this occasion and that we call General McNaughton as soon as it is convenient for him to appear before this committee. I know he has to do a lot of travelling.

Mr. PEARSON: On this particular point I think it is desirable to have General McNaughton here quite early. There are, however, a good many general questions in respect of policy arising out of the appearance of the minister which I think we should discuss before General McNaughton appears.

Mr. HERRIDGE: Yes. I do not mean to preclude discussion on this.

Mr. PEARSON: My question is, when the minister said—and I think I am quoting him correctly—he hoped that the agreement would be concluded very quickly, did he mean that he hoped the conclusion of this agreement would include congressional approval or did he merely hope this agreement would be signed between the two governments and put through very quickly.

Mr. GREEN: We hope so.

Mr. REGIER: Did the agreement mention that the treaty about to be attempted to be made has to be ratified by the United States Congress, the Canadian parliament and the legislature of British Columbia?

Mr. GREEN: It would have to be ratified by the Canadian parliament. What happens in Washington will depend, I think, on whether it is a treaty or an agreement. There would have to be ratification of one type or another in

Washington. It would not have to be ratified by the British Columbia legislature. The agreement will be an agreement between Canada and the United States.

Mr. REGIER: I think the waters are under the authority of the British Columbia government.

Mr. GREEN: I presume there would have to be a separate agreement between Canada and British Columbia.

Mr. REGIER: Are negotiations under way?

Mr. GREEN: British Columbia is represented on the Canadian negotiating team and, as I have indicated, already we have had various meetings with British Columbia representatives.

Mr. REGIER: In other words negotiations are under way between the British Columbia government and the Canadian government.

Mr. GREEN: Yes.

Mr. PEARSON: Arising out of what the minister has just said, surely there is no possibility of an agreement being worked out on this matter with the United States which would not require approval of the Congress and of the Senate. The minister talked about two types of agreements.

Mr. GREEN: I had in mind the question of whether it would be a treaty or an agreement. I think there is a difference in the United States in the type of approval they have to get and in the majority they have to get. In either case there would have to be ratification.

Mr. PEARSON: In the Congress.

Mr. REGIER: Have the discussions going on between the Canadian government and the British Columbia government included any understanding as to distribution of hydro electric power which may be developed on this river.

Mr. GREEN: No; not in detail.

Mr. REGIER: The minister says not in detail. Do I take it there have been discussions?

Mr. GREEN: There will be power coming back into Canada by way of downstream benefits but there have been no detailed arrangements made as yet as to how it will be distributed.

The CHAIRMAN: Are there any other questions on this?

Mr. HERRIDGE: In that connection, the detail as to the distribution of that power, if an agreement is reached, is primarily the responsibility of the provincial government.

Mr. GREEN: Yes.

By the way, Mr. Chairman, I now have a list of the Canadian delegates to the conference on the law of the sea. They are the Hon. Mr. Drew, who is leader of the delegation; Mr. Marcel Cadieux, Assistant Under Secretary of State for External Affairs who is the vice-chairman of the delegation; Mr. Wershof, our Canadian permanent representative to the European office of the United Nations at Geneva; Mr. Ozere, of the Department of Fisheries; Dean Curtis of the University of British Columbia who made a report to the previous government on this whole question of territorial waters. In addition the advisors are: Mr. E. B. Rogers, the Canadian ambassador to Turkey; Mr. J. E. G. Hardy of Canada House London; Mr. J. Thibault of the Canadian embassy in Belgrade; Mr. Gotlieb from the permanent mission at Geneva; Mr. P. Dumas from the same mission; Lieutenant Commander E. Jones from the Royal Canadian Navy and Mr. E. B. Wang from the Canadian embassy in Oslo. The secretary of the delegation is Mr. W. Cunningham from the Privy Council office in Ottawa.

Mr. PEARSON: There is no representative on the delegation from the fisheries industry.

Mr. GREEN: No.

Mr. MARTIN (*Essex East*): Did the Department of Northern Affairs play a large part in the last conference. Are they not being co-opted.

Mr. GREEN: Do you mean are they not being cooperative?

Mr. MARTIN (*Essex East*): No. Are they not being co-opted—used.

Mr. GREEN: They have been very closely associated with the work of preparing for the conference.

Mr. MARTIN (*Essex East*): Maybe they are working in the Arctic.

Mr. GREEN: They have been very helpful, but they do not happen to be on this actual delegation. Mr. Norman Robertson points out that the Deputy Minister of Northern Affairs and National Resources is on the negotiating team in respect of the Columbia river and could not very well be in Geneva at the same time.

Mr. REGIER: On this matter of the Columbia river, I read in the press last week that the premier of British Columbia has indicated he is waiting for the proposal to be made to his government by the Canadian government with regard to possible joint development of the Columbia river. Has the Canadian government made a proposal to the British Columbia government other than the announcement the minister made some months ago?

Mr. GREEN: Yes. We made a proposal at the meeting of the policy committee which was held here earlier last month. That proposal was discussed further at the meeting at Victoria on Saturday. The premier of British Columbia made his statement the day we reached Victoria. On this point, however, he was a little off the beam.

Mr. REGIER: In other words there has been a formal proposition by the Canadian government to the government of British Columbia.

Mr. GREEN: Yes. This was covered in the official statement issued last Saturday evening at the end of the meeting. It is set out in that statement that we renewed discussions of financial proposals which had been initiated earlier in Ottawa.

Mr. REGIER: Are you in a position to inform the committee as to what are the Canadian government's proposals?

Mr. GREEN: No; not at the moment.

The CHAIRMAN: Regarding the request of Mr. Herridge in respect of the availability of General McNaughton, I will endeavour to arrange this with the minister and see what will be the most convenient time for General McNaughton to appear.

Mr. HERRIDGE: Thank you.

The CHAIRMAN: Gentlemen, if there are no further questions we will proceed to the disarmament question.

Everyone seems to be pretty well satisfied with the minister's statement.

Mr. PEARSON: No; I think there would be a good many questions on it. I was just wondering how long you proposed to meet this morning, as some of us have a meeting at 12 o'clock.

The CHAIRMAN: I gave an undertaking to the minister that we would continue for two hours this morning, from 10 until 12. If it is the wish of the committee, we will continue.

Some hon. MEMBERS: No, no, no!

The CHAIRMAN: Is two hours enough?

Some hon. MEMBERS: Yes.

The CHAIRMAN: We will continue until about 12 o'clock.

Mr. MARTIN (*Essex East*): In view of the importance of this subject perhaps we could leave that until the next meeting, and go on with the next subject.

The CHAIRMAN: NATO?

Mr. MARTIN (*Essex East*): Well, I make that suggestion because there will be a great deal of discussion on this one subject.

Mr. HERRIDGE: There is Laos.

Mr. MARTIN (*Essex East*): Or Laos; the next one.

Mr. REGIER: The summit meeting was missed.

Mr. MARTIN (*Essex East*): I would like to ask the minister a couple of questions on Laos.

The CHAIRMAN: We will continue until the questions in regard to Laos are exhausted, and when we have completed the questions on that subject the meeting will adjourn.

Mr. MARTIN (*Essex East*): You said that the international commission in Laos had been adjourned sine die since July, 1958. The fact is that both India and Poland wanted the committee to be reconvened and we objected on the grounds we did not want to take issue with the royal government; is that the only reason that we did not agree to the reconvening of the international commission?

Mr. GREEN: It was adjourned sine die with the approval of India and Canada. Poland was not in favour of it being adjourned. Then last year India suggested it should be reconvened and, at that time, Canada took the position that we did not think it should be reconvened against the wishes of the Laotian government. The Laotian government took a strong stand against having the commission back.

Mr. MARTIN (*Essex East*): That is as I understood the position. What I wish to ask the minister is whether he does not think that, if we had acceded to the request of the Indian chairman and the Polish delegate, the committee might have done pretty much the job that was later done by the United Nations committee?

Mr. GREEN: No, we were not of that opinion. We thought it would be a great mistake to have the commission go back against the wishes of the government, and that that would not help at all. And, as things turned out, our objective was met by the action of the United Nations in sending someone out. We took a very active part in bringing about the adoption of that—getting the United Nations presence into Laos. If there had not been anyone sent there by the United Nations it is very difficult to state what would have happened. There well might have been serious trouble.

Mr. MARTIN (*Essex East*): Well now, is it the thought that the international commission will meet again in Laos?

Mr. GREEN: Oh, I do not know that. There is no suggestion at the moment that they should.

Mr. MARTIN (*Essex East*): The one in Cambodia is still in existence, although it does not meet. Is that right?

Mr. GREEN: I do not know how often it meets but it is still existent and functioning.

Mr. MARTIN (*Essex East*): There is nothing for it to do in Cambodia, is there?

Mr. GREEN: The commission has little to do. Here is the official version of the Cambodian commission.

The Canadian delegation has been reduced in size and consideration is being given to possible further reductions. The present acting commissioner also serves as Canadian representative to the committee for the development of the Mekong river.

Mr. MARTIN (*Essex East*): Some day we will have to determine the course in these two countries in regard to these commissions; they are in existence longer than I think was originally intended. I take it there is no indication of any ending of the work of the commission in Vietnam.

Mr. GREEN: No, there is no intention of adjourning that work. By the way, India has not asked for the reactivating of the commission in Laos for many months.

Mr. REGIER: At the time of the difficulty in Laos is the minister able to account for an occurrence or a number of occurrences in which Canadian newspapers, on the whole, printed a great number of reports of active military support in the way of manpower by the North Vietnam regime, and stating that men were being poured into Laos from the communist dominated territory to the north. Yet the United Nations found that this was not in accordance with the facts. At almost the same time we had newspaper headlines also telling us of the very serious clashes on the Indochinese border. I was present when Mr. Menon expressed his surprise at the false propaganda that was being headlined in western newspapers. Is the minister able to explain how our newspapers could put out these alarmist reports, which later on turned out to be grossly exaggerated and, therefore, created a good deal of needless excitement in the world?

Mr. GREEN: Do you want me to explain how the press gallery does these things?

Mr. HERRIDGE: He is not a mind reader.

Mr. GREEN: If you remember my statement about Laos, I said this:

The report of the security council subcommittee, which was made public early in November, noted that it was not clearly established that regular North Vietnamese troops had actually crossed the border to assist the rebels but that the Pathet-Lao had received support from North Vietnam in the form of equipment, arms, ammunition, supplies and "the help of political cadres".

So, the newspapers were not so far off in that case.

Mr. McCLEAVE: As a former member of the press gallery, may I say that, while they do make mistakes in some matters, I do not think this is one of their mistakes.

Mr. REGIER: The honourable member is not attesting that the findings of the United Nations commission were wrong?

The CHAIRMAN: The minister's statement covered that quite fully.

Gentlemen, it is now 12 o'clock and, before we adjourn, is it the wish of the committee to meet tomorrow at 9.30 for an hour or so?

Mr. STINSON: I have a final question on Laos, a subject to which we may not return tomorrow. I am wondering whether or not the government has any ideas as to how the political stability in that country might be improved or enhanced by economic assistance from the west. I think many Canadians were greatly disturbed by the apparently well-founded reports about the misuse of economic and military equipment, especially from the United States of America and valued at several millions of dollars, which have gone into Laos over the past several years. In view of the apparent failure of that

kind of system to achieve political stability in this strategic area, I am wondering whether or not this government has any specific ideas as to how we can bring about a situation where the kind of disruption which recently occurred will not be repeated.

Mr. GREEN: We can only deal with these problems in the light of the way in which they come up in the different parts of the world. In Laos the situation has been greatly improved, I think, not only by having the United Nations present, but also by the fact that the secretary-general of the United Nations, Mr. Hammarskjöld, went out there last fall and made a personal investigation of the situation, also, if you remember, I mentioned in my remarks that we think there is a proposal coming up for co-ordinated action by the United Nations and the specialized agencies to help Laos in the development of the basic sections of its economy. There has been nothing announced about that, but we understand an attempt is being made to make up a plan of that kind.

I also pointed out that there has been a new cabinet formed there. It was formed in January. Also, there is supposed to be a general election on April 24. I realize that there are many difficulties in connection with this situation, just as there are in other countries in the Far East, and it may be that some aid is not applied as it should be.

Mr. MARTIN (*Essex East*): As far as misuse of funds is concerned, there is no capital assistance from Canada. We started just recently, I think, to provide some kind of bursary assistance there: I do not think we give capital assistance. The main complaint was against the Americans.

Mr. GREEN: We are giving no capital assistance. They will benefit from the Mekong. We are giving them no direct capital assistance. In the case of Laos, this has been given, I believe, by France and the United States.

The CHAIRMAN: I wish to thank the members of the committee for the good order they have kept. This meeting stands adjourned until 9.30 tomorrow morning, of which you will receive due notice.

APPENDIX "A"

CANADA'S ECONOMIC AID PROGRAMS

Introduction and Summary

In the fifteen years since the end of World War II, Canada's financial assistance abroad has totalled \$4,549.78 million. Details of the various contributions which make up this total are given in Part II, Table A. Of this sum, \$420 million has been contributed to Canadian bilateral and multilateral aid programs and certain special assistance schemes. In the Estimates for 1960-61 provision is made for further expenditures amounting to \$63 million for economic assistance.

Bilateral Economic Aid Programs

At the present time most of Canada's economic aid is provided through bilateral programs the largest of which is the Colombo Plan. At the Commonwealth Trade and Economic Conference held in Montreal in September 1958, the Canadian Government announced its intention to provide, subject to Parliamentary approval, \$50 million for the Colombo Plan in each of the ensuing three years. Accordingly the Colombo Plan appropriation for 1959/60 was increased to \$50 million from \$35 million. In 1960/61 the Government proposes to ask Parliament for a further \$50 million which would bring the total contributed to the Colombo Plan since 1950 to \$332 million.

During 1959 a major part of the \$50 million appropriated for the current fiscal year was allocated to new projects, to projects which are already underway and to the technical assistance program. Discussions with various countries for the use of the balance of the funds are well advanced and agreement on these programs should be reached in the near future. Further details are given in Part I.

At the annual Colombo Plan Conference held in Indonesia in November 1959 Canada and the other member countries agreed to extend the Colombo Plan for 5 years beyond 1961 and that in 1964 consideration should be given to an extension for a further period. At the Conference Singapore was accepted as a full member of the Colombo Plan in view of its new constitutional status.

At the Montreal Conference Canada announced that it would initiate a bilateral program for providing technical aid to less developed Commonwealth countries, mainly in Africa, for which \$500,000 was provided in 1959/60.

At the time of the Montreal Conference the Prime Minister, the Honourable John G. Diefenbaker, announced the establishment of the West Indies Aid Program through which Canada intends to provide \$10 million for capital aid and technical assistance over a period of 5 years.

At the Montreal Conference Canada played a leading role in establishing a Commonwealth Scholarship and Fellowship Plan. The objective of this scheme is to exchange 1000 scholarships and fellowships, of which Canada would offer 250 at an estimated annual cost of \$1 million. During 1959 representatives from all Commonwealth countries met at Oxford to formulate arrangements for the implementation of this Plan. At the Oxford Conference Canada undertook also to the place more emphasis on education within the framework of its technical assistance program.

Multilateral Aid Programs

Canada participates in three multilateral economic aid programs to which it has contributed \$18.8 million since their inception; the United Nations Expanded Program of Technical Assistance; the United Nations Special Fund and the International Atomic Energy Agency (Operational Budget). In 1959/60 Canada's contributions to these programs were \$2 million, \$2 million and \$50,000 respectively.

*International Bank for Reconstruction and Development**International Monetary Fund**International Finance Corporation*

In 1959 Canada increased its subscription to the International Bank for Reconstruction and Development from \$325 million to \$750 million and to the International Monetary Fund from \$300 million to \$550 million. Canada also continued as a member of the International Finance Corporation, to which Canada paid its subscription of \$3.6 million in 1956 when it was established.

Special Aid Programs

Canada contributes on a voluntary basis to the budgets of a number of United Nations aid programs designed to deal with problems such as the care and settlement of refugees. In addition Canada has also made contributions to meet special phases of these programs and to other organizations which deal with emergencies such as famine and floods. The total contribution to these special programs amounts to \$120 million, exclusive of post-war relief and reconstruction grants.

The Estimates for 1960/61

In the estimates of the Department of External Affairs for 1960-61 a total of \$63,060,000 has been included to finance Canada's contributions to these various bilateral and multilateral international economic and special aid programs. In the field of bilateral aid Canada will again provide \$50 million for the Colombo Plan, \$4,510,000 for the Canada-West Indies Assistance Program, \$500,000 for the program of technical assistance to Commonwealth countries and territories, and \$500,000 to finance the first phase of the Commonwealth Scholarship Plan. Canada will contribute \$3,850,000 as its share in the various multilateral aid programs in which it is participating and \$3,700,000 will be provided for special assistance.

Part I of the following Report contains a more detailed description of all the various economic aid and relief programs to which Canada contributes, and Part II provides additional statistical information on them.

PART I

The Colombo Plan

Canadian aid to the Colombo Plan countries in South and South-East Asia has been provided, broadly speaking, in four forms: technical assistance, grants of foodstuffs, commodity aid and capital aid.

The countries of the Colombo Plan area continue to require an ever larger number of scientists, technicians, engineers and people with administrative and managerial skills and aptitudes to assist them in the development of their natural resources, the modernization and mechanization of their agriculture, the expansion of their industry, transportation and commerce and the training

of an effective governmental, business and professional community. To help meet these needs Canada's Colombo Plan Technical Assistance Program continued to expand in 1959.

In addition to the more direct achievements of the technical assistance program, it has continued to provide opportunities for contacts and exchanges which have helped to make Canada better known in South and South-East Asia, to make these countries better known to Canada and to build the foundations of mutual understanding between Canadians and the peoples of that area.

Canadian aid in the form of foodstuffs has also proved to be of direct benefit to the countries of South and South-East Asia. First, in times of emergencies, such as droughts and floods, it has helped these countries to carry forward their development program without having to call upon and use resources which are urgently required for basic economic development. Second, it has helped to alleviate pressure on scarce foreign exchange resources, and third it has served to moderate the inflationary impact of the growth in domestic consumer demand that is being generated by increasing development expenditures and rising incomes.

Other commodities provided under the Colombo Plan, such as base metals, railway ties and fertilizers, have in part served the same purposes as gifts of foodstuffs. In addition, however, they have enabled these countries to maintain employment and to keep their newly established capital facilities in production. In the case of these commodities as well as of wheat, flour and other commodities provided under the Colombo Plan, each of the countries concerned establishes counterpart funds equivalent to the value of the Canadian grant, and these are used for economic development purposes agreed upon by the two governments. "Table J in Part II provides a statement on counterpart funds."

The fourth form of Canadian aid under the Colombo Plan has been designing, building and equipping of capital projects such as hydro-electric projects. These projects represent an immediate and significant addition to the basic capital facilities now available in these countries, facilities which will themselves serve to stimulate further economic development and provide a basis on which domestic and foreign private investment may be attracted.

From another equally important point of view, they stand as an enduring monument of Canadian friendship and goodwill and, more generally, of the concern of the more developed countries of the free world to assist in the achievement of rising standards of living in the underdeveloped regions.

Statistical statement on all of the country programs, described in the following sections, will be found in Part II, Tables B to F.

Country Programs

India

As part of its Colombo Plan program for 1958-59 Canada allocated \$22 million to India early in 1959 for the following purposes: \$1 million to continue the work on the Canada-India reactor; \$10.5 million for industrial metals to help maintain adequate levels of industrial activity; \$2.5 million for railway ties to assist in the expansion and improvement of railway facilities; \$2.5 million for fertilizers to help India increase food production; and \$120,000 for three cobalt beam therapy units for use in three hospitals and \$5 million for wheat which, with the other commodities listed above, will create counterpart funds equivalent to the value of the grants. The balance of \$380,000 was unallocated pending the selection of feasible projects.

In January of this year the Secretary of State for External Affairs announced in the House of Commons a \$25 million program for India to be financed out

of the 1959-60 Colombo Plan fund and that this sum had been allocated as follows: \$11.5 millions for metals, \$7 million for wheat, \$2.55 million for fertilizers, \$120,000 for asbestos, \$2 million for diesel engines for use in Indian ports, \$700,000 for the Canada-India Reactor, \$130,000 for three more cobalt beam therapy units, \$250,000 for telecommunications equipment to help India complete and bring its meteorological services into a world-wide weather reporting network, and \$750,000 has been set aside to carry out economic engineering studies on new projects which India has requested Canada to consider for future Canadian Colombo Plan capital development programs and to finance the initial costs should any of these projects prove acceptable to the two governments.

The Minister also announced that \$380,000 which had not been allocated in the 1958-59 program, would be used to provide \$250,000 worth of copper, and \$120,000 for equipment for improving the milk distribution system in Calcutta.

With regard to projects which are already underway, the Kundah hydro-electric power project for which Canada has made available \$25 million, is nearing completion, and will generate the first power early in 1960. The work on the Canada-India Reactor, to which Canada has now contributed \$8.5 million, made good progress and is expected to be completed in 1960.

Pakistan

In the first part of 1959 Canada, as part of its 1958-59 capital aid program allocated \$13 million to Pakistan to be used for the following purposes: \$4 million for the provision of wheat, \$2,801,000 for metals, \$650,000 for woodpulp to be used in the trial stages of a newsprint mill which was constructed and is being operated, as a commercial enterprise under the supervision of a Canadian firm, \$320,000 for three Beaver Aircraft and spraying equipment to help Pakistan in its pest control program; \$1.1 million to extend to Karnafuli, the transmission line which Canada is building between Dacca, the capital of East Pakistan, and Chittagong, the major port city; \$500,000 to overhaul construction equipment which Canada will turn over to Pakistan when it is no longer required at the Warsak dam; and \$3,629,000 was reserved for new projects on which Canadian engineers are now carrying out economic and engineering studies.

With regard to the 1959-60 Canadian Colombo Plan capital development program in Pakistan, discussions of various projects are continuing; an announcement about this program will be made by the Government as soon as these discussions have been completed and the projects approved by Canada and Pakistan.

Work on the projects in which Canada is already participating, are nearing completion. The Warsak hydro-electric power project to which Canada allocated \$36.6 million, has reached the stage where the first units will be ready to start generating power in early 1960. The Shadiwal hydro-electric power station for which Canada has made available \$3.5 million, is expected to begin operating late in 1960. The erection of the transmission line from Dacca to Chittagong is being carried forward satisfactorily and the thermal power station at Goalpara is nearing completion.

Ceylon

Early in 1959 Canada allocated \$2 million to Ceylon for the regular 1958-59 capital aid program and a further special grant of \$400,000 was made for the provision of Canadian flour. Of the \$2 million, \$1.29 million is the first instalment on the construction of a power transmission line from Gal Oya to Laxapana. Canada has already provided \$1.4 million to earlier phases of the Gal Oya power and irrigation scheme of which this new project is a part.

The sum of \$710,000, the balance of the \$2 million grant, was allocated to the continuation of the aerial survey to which Canada has already contributed nearly \$2.5 million over the past several years. This project which started as a photographic survey, has since been extended to include a geophysical survey. In conjunction with the Canadian phase of the work, Ceylon is financing a land and water resources survey.

With regard to the 1959-60 program, discussions on the allocation of the funds are well advanced, and this program will be announced as soon as final agreement is reached by the two Governments.

Malaya

The sum of \$2.3 million has been allocated to Malaya so far. Negotiations are in process with the Malayan Government and various projects are under consideration including the development of fisheries, agriculture and technical education.

Indonesia

Three Otter Aircraft were provided, at a cost of \$400,000 to assist in the development of inter-island communications. A grant of \$500,000 worth of flour was also made to Indonesia.

Burma

A preliminary survey was made of the Thaketa Bridge project near Rangoon, to which an allocation of \$200,000 was made. The report of the consulting engineers is now under consideration by the Canadian and Burmese Governments. A donation of wheat, valued at \$500,000 was made during 1959.

Vietnam

\$200,000 was allocated to Vietnam for the provision of flour and butter.

Nepal

Wheat to the value of \$60,000 was despatched in 1959.

Mekong Aerial Survey

During 1959 Canada agreed to undertake an aerial survey of the Lower Mekong River and some of its tributaries. The Mekong is one of the major rivers in South-East Asia and its lower basin lies partly in the four countries of Cambodia, Thailand, Laos and Vietnam. The United Nations Economic Commission for Asia and the Far East originated the idea of a co-ordinated program of development of the resources of the Lower Mekong, so that the benefits of hydro-electric power, irrigation and navigation could be made available to all four riparian states. One of the essential steps to be taken before any development of the river can proceed is an aerial survey and mapping and Canada undertook this work as a Colombo Plan Project. This is the fifth aerial survey Canada has carried out in Asia under the Colombo Plan. The others were in Pakistan, India, Ceylon and Malaya.

The Canadian survey will cost \$1.3 million. The four local governments are contributing \$100,000 to cover certain local costs for the survey operations. The aerial photography began in October 1959 and the compilation of the maps will be completed by the end of 1961.

Medical Book Program

In 1958 Canada set up a medical book program as a result of recommendations made by the Canadian Medical Mission to Colombo Plan countries led by Dr. Wilder Penfield in 1956. A sum of \$196,000 was allocated for the supply of \$2,500 in medical books to each recognized medical school in the Colombo Plan countries. To date requests have been received from 65 medical schools in participating countries.

Technical Assistance

More experts went abroad and more trainees came to Canada under the Colombo Plan in 1959-60 than in any previous year. Expenditure during the first nine months of 1959-60 rose to \$1.35 million from \$1.12 million for the same period in 1958-59. (The total expenditure on trainees and experts for the whole of 1958-59 was \$1.37 million).

This increase in expenditure, however, does not reflect the full extent of the expansion in the technical assistance program. A change in inter-continental air fare structure has enabled substantial reductions to be made in travel costs. There has been a tendency this year toward shorter assignments for experts, with more assignments being of a survey nature and of from six weeks' to three months' duration; in the past the majority were for at least one year. These factors have enabled more technical assistance to be provided without a corresponding rise in expenditure.

Twenty-seven experts' contracts were negotiated in 1959, and by the end of the calendar year seventeen Canadian experts had begun assignments in eight countries. Apart from Pakistan, which requests substantially more experts, the number of requests from the Colombo Plan area for the services of experts remained fairly constant.

There was a noticeable increase in the number of trainees coming to Canada; 228 compared to 182 in 1958. This increase was in response to more numerous requests from India, Malaya, Pakistan, the Philippines, Sarawak and Thailand, while the remaining countries sent about the same numbers as in 1958. This year the first Colombo Plan trainees came to Canada from Brunei, Japan and Nepal.

Of the trainees who arrived during 1959, 56% entered academic courses. As in the past, the majority of practical programs were undertaken by Indians and Pakistanis. Except for the Philippines, whose requests were evenly distributed between academic and practical training, requests from the remaining countries were largely for academic courses. Fifty-eight of the 151 university programs arranged were for undergraduate training. Requests for undergraduate training came mainly from areas lacking university facilities, such as Burma, Cambodia, Indonesia, Malaya and Vietnam, which accounted for approximately 80 per cent of all requests for undergraduate training, mainly in engineering and the sciences. The programs of other trainees, both academic and practical, were undertaken in a wide range of fields with emphasis on those directly related to economic development such as agriculture, engineering, co-operatives, education, health, industrial development, forestry, geology and the physical sciences.

In addition to the programs arranged for individuals a number of programs were arranged for groups of trainees. These groups comprised Colombo Plan trainees as well as those from The West Indies and the countries and territories coming under the Commonwealth Technical Program.

A special twelve month course in Community and Town Planning was arranged in co-operation with the University of British Columbia. Nine students are now registered in this course, two from Indonesia, two from Malaya, two from the Philippines, and three from The West Indies.

A Seed-Improvement programme was arranged in co-operation with the Department of Agriculture in preparation for the International Seed Year which will be sponsored by the Food and Agriculture Organization of the United Nations in 1961 to increase the availability of good seed within each country. Officials from the governments of Colombo Plan countries were given the opportunity to spend four months observing the methods used by Canadian farmers to improve seed, the work of the Canadian Seed Growers' Association and the Seed Trade Association. They also studied the work of agricultural colleges and government departments in producing good seed and in exercising control over its sale and distribution. Ten trainees took part, one each from Burma, Indonesia, Japan, Nepal, Philippines and Thailand and four from Pakistan. This was the first course of any kind given by Canada under the Colombo Plan, which was attended by trainees from Japan and Nepal.

The third group program was in Public Administration, arranged by Carleton University, Ottawa. The program will last for approximately twelve months and will include academic training at the University as well as training in Federal, provincial and municipal government offices. The program includes 27 students from Brunei, Burma, Indonesia, Laos, Malaya, North Borneo, the Philippines, Sarawak and Thailand, and three from Ghana and three from the West Indies.

Training in co-operatives has formed an important part of technical assistance since the beginning of the Colombo Plan. To increase the effectiveness of Canadian aid in this field and to make more widely known the facilities available here, a group of senior officials from the different Colombo Plan countries were invited to visit co-operative organizations across Canada on a program arranged with the Department of Agriculture and the Co-operative Union of Canada. Officials from Burma, Malaya, Pakistan, Ghana and the West Indies participated in this program.

Tables C, D, and I, in Part II provide a detailed account of the operations of the Technical Assistance Program.

Canada—West Indies Aid Program

Canada has undertaken a \$10 million program of economic and technical assistance to The West Indies over a period of five years from 1958 to 1963. The first major project in this program is the provision of two passenger—cargo ships for inter-island traffic in The West Indies.

Contracts were let to Canadian shipyards in 1959 for the construction of these two ships which will cost approximately \$6 million. They will have a cargo capacity of 80,000 cubic feet and accommodation for 50 cabin passengers and 200 deck passengers.

Orders were placed in 1959 for \$22,000 worth of tools and equipment for a technical school at St. Kitts, to which two Canadian vocational training instructors have been assigned.

In the first nine months of the fiscal year 1959-60, \$88,640 was spent on technical assistance to The West Indies, compared to \$74,936 for the whole fiscal year 1958-59.

Of the 23 West Indians who come to Canada for training in 1959, 17 took university courses, mostly at the postgraduate level. The greatest number undertook studies in education and public administration. The other fields in which training was provided in Canada included agriculture, co-operatives and health.

Eight Canadian experts were sent to The West Indies in 1959, most of them for short periods from eight weeks to three or four months. They included a film advisor and two experts on radio broadcasting. Two consultants were sent to advise on the establishment of a federal postal service. A team of Canadian specialists including a harbour engineer and a transportation economist made a survey of port and harbour requirements in The West Indies. Their report is being studied with a view to possible future Canadian capital assistance in this field. A harbour management advisor was also sent to Kingston, Jamaica to act as Port Manager and advise on the development of Kingston Harbour.

A statistical statement on this program is contained in Part II, Tables G. and I.

Commonwealth Technical Assistance Scheme

On January 30, 1958, the Secretary of State for External affairs made a statement in the House announcing the Government's decision to finance an interim technical assistance programme for The West Indies and Ghana. \$15,000 was provided in 1957-58 for this purpose. \$135,000 was included in the First Supplementary Estimates for 1958-59, which became available to Ghana for the most part because a separate vote for The West Indies was provided in the same First Supplementary Estimates.

It was recognized that in addition to those parts of the Commonwealth which received aid under the Colombo Plan or other Canadian aid programmes (Ghana and The West Indies) other countries and territories in the Commonwealth were in urgent need of assistance to accelerate their economic progress. The government decided that one of the most effective steps Canada could take would be to extend the Canadian technical assistance to these countries and territories. At the Commonwealth Trade and Economic Conference in Montreal in September 1958, Canada announced a decision to provide \$500,000 in 1959-60 to be used for technical assistance in the Commonwealth, with particular emphasis on the African territories. The program for Ghana was absorbed in this general Commonwealth Technical Assistance Programme.

During the first months of operation of the Commonwealth Technical Assistance Program, channels of communication have been established directly with those dependent territories of the Commonwealth in which Canada is represented, and through the Colonial Office in London with the others. These territories have been informed of the facilities available in Canada for training of their nationals and of the fields in which Canadian experts can be provided to them. The groundwork for the operation of an effective program has been laid and actual requests for specific projects are now being received in some numbers. The Canadian program in Ghana is well under way having had a year's head start. During 1959 eighteen Ghanaians received training in Canada and seven Canadian experts were sent to Ghana. Nigeria and Hong Kong sent one trainee each to Canada. The field of greatest interest was public administration. Other subjects in which training facilities were requested were co-operatives, public information services, engineering, geology, mining and health. Of the Canadian experts sent to Ghana, three were in the field of public information, specifically television and film production. Also included were an advisor on tourism, a corporation law advisor and an expert in public administration. A plant physiologist, who had completed an assignment in Malaya in 1959, arrived in Ghana in the autumn to undertake research in the swollen shoot disease of the cocoa plant, the produce of which constitutes about 70 per cent of Ghana's gross national product.

A statistical statement on this programme is contained in Part II, Tables H. and I.

Commonwealth Scholarship and Fellowship Plan

The Commonwealth Trade and Economic Conference which was held in Montreal, in September 1958, decided in principle to establish a Commonwealth Scholarship and Fellowship Plan. At the Conference the Commonwealth countries recognized as an objective of Commonwealth countries "that their people should be able to share as widely as possible in the advantages of education of all kinds and at all levels". They also recognized that "development brings with it . . . an ever increasing need for people equipped with general training to serve in all the elaborate and varied processes of complex societies". The Plan is intended to further these objectives.

The Conference expected that within a few years after its inception the programme would cover some 1,000 Commonwealth scholars and fellows of which 250 would be in Canada in any one year. The cost to Canada will be \$1 million annually offered by Canada. It is clear from the intentions made known by Commonwealth countries at the Commonwealth Education Conference which met in Oxford last summer that this target will be reached if not exceeded.

The average duration of the awards is expected to be two years, so that in any one year the number of awards offered will be half the total number of awards held in Canada at any one time. Accordingly, the estimates for 1960-61 the first year in which the Plan will operate, provide \$500,000 to finance the Scholarship Plan. In accordance with the Report of the Oxford Conference the awards will be made to "men and women from all Commonwealth countries—people who are of high intellectual promise and who may also be expected to make a significant contribution to life in their own countries on their return from study overseas".

The selection of scholars for awards in Canada will be made by a Canadian Scholarship Committee which was recently appointed by the Government, and which is composed of distinguished members of the academic community together with representatives from interested Departments of government. This Committee will also be responsible for nominating Canadians for awards offered by other countries. The Committee is ably supported in the administration of the Scholarship and Fellowship Plan by the Canadian Universities Foundation.

United Nations Special Fund

The United Nations Special Fund was established by a resolution of the General Assembly at its 13th Session and began operations in 1959. It is designed to help under-developed countries in undertaking surveys of their natural resources, establishing facilities for technical training, education and public administration. The Fund concentrates on relatively large projects which would be beyond the resources of the Expanded Programme of Technical Assistance and which are likely to create the conditions in which new capital investment of high development value will be accelerated. The Funds for this programme are provided from voluntary contributions of member countries.

Canada participated in the Preparatory Committee which established the terms of reference of the Fund, and has been elected to the Governing Council for a three-year term. The Fund is administered by Mr. Paul G. Hoffman of the United States. In its short life, the Fund has shown excellent promise of being a successful and well-administered programme.

The Managing Director received the approval of the Governing Council in May 1959 for 13 projects costing \$7,550,000, and in December 1959 the Council approved a further list of 31 projects to be carried out in 22 countries at a cost of \$23,710,910. The largest single category of projects was water, irrigation and power surveys, of which seven were proposed. Another six surveys will be carried out in the field of agriculture and there are four vocational training projects and four university technological training projects. As is the case with the Expanded Program of Technical Assistance, the United Nations and the Specialized Agencies carry out the projects financed by the Special Fund.

The Special Fund received contributions equivalent to about \$26 million (US) in 1959. At a Pledging Conference held at the United Nations on October 8, 1959, a number of countries pledged increased contributions to the Special Fund for 1960. The pledges made at this Conference totalled \$32 million, including a Canadian contribution of \$2 million which was offered subject to Parliamentary approval. The following table shows the pledges of the twelve largest contributors for 1960:

	Pledges for 1960 (US Dollars)	
United States	\$ 14,000,000.	(est.)
United Kingdom	5,000,000.	
Netherlands	2,440,105.	
Sweden	2,103,000.	
Canada	2,000,000.	
Germany, Federal Republic	1,904,762.	
France	1,072,000.	
USSR	1,000,000.	
India	700,000.	(est.)
Italy	600,000.	
Japan	480,000.	
Norway	419,992.	

*United Nations Expanded Program of Technical Assistance to
Under-Developed Countries*

Canada has actively supported the United Nations Expanded Program of Technical Assistance since its inception in 1950. The Expanded Programme is financed by voluntary contributions by governments and is designed to provide experts, training facilities and technical knowledge, on request, to under-developed countries with the object of helping to raise standards of living and stimulate the economic growth of these countries. The Expanded Program is one of the most widely supported and effective activities of the United Nations. The Program is operated through the Specialized Agencies of the United Nations and the Bureau of Technical Assistance Operations of the United Nations Secretariat. The emphasis is on the provision of experts, 700-800 of whom are normally serving under the program in various countries at any given time.

Since 1950 Canada has contributed \$13.2 million (US) to the Expanded Program. A total of 84 countries pledged about \$29.6 million (US) to the Program for 1959. At a Pledging Conference held at the United Nations on October 8, 1959, a number of countries pledged increased contributions to the Expanded Program for 1960. The pledges made at this Conference totalled

\$33 million, including a Canadian contribution of \$2 million which was offered subject to Parliamentary approval. The following table shows the pledges of the twelve largest contributions for 1960:

	Pledges for 1960 (US Dollars)
United States	\$ 13,000,000. (est.)
United Kingdom	3,000,000.
Canada	2,000,000.
France	1,543,780.
USSR	1,000,000.
The Netherlands	1,323,052.
Germany, Federal Republic	(not announced; see note)
Sweden	902,764.
Brazil	832,432.
Denmark	651,513.
Australia	625,000.

Up to the end of 1959, 515 persons had been trained in Canada under the programmes of the United Nations and the Specialized Agencies. During 1959, 57 new trainees arrived in Canada under United Nations sponsorship. At the end of 1959, eighty-four Canadians were in the service of the United Nations and Specialized Agencies.

Note: In 1959 Germany contributed approximately \$2 million.

*Contribution to the Operational Budget of the
International Atomic Energy Agency*

The IAEA was established in mid-1957 with the broad objective of promoting the peaceful uses of atomic energy.

The agency has two budgets: a regular budget which is financed by assessed contributions (of which Canada's share was \$154,500 (Can.) in 1959) and an operational budget financed by voluntary contributions. The regular budget covers such items as administrative costs, the collection and distribution of scientific information, conferences, regulatory and standard-setting functions.

The operational budget in 1958 and 1959 was devoted largely to financing technical assistance activities, such as research fellowships and the exchange and training of scientists. In addition provision was made for the construction of laboratories, including a laboratory which will be used for such purposes as standardization of isotopes and preparation of radio-active standards, quality control of special materials for nuclear technology and measurement and analysis in connection with the Agency's safeguards and health and safety program.

Canada has given \$75,000 to the Agency's operational budget—\$25,000 to the 1958 program and \$50,000 to the 1959 programme. Provision was made for these contributions in the 1958-59 estimates. Contributions to the 1958 and 1959 programs by leading contributors have been as follows (in U.S.\$):

	1959	1960
	(Paid)	(Pledged)
USA	\$ 561,147. (*)	\$ 750,000. (*)
UK	125,000.	125,000.
USSR	125,000.	
Canada	50,000.	50,000. (†)
France	30,000.	30,000.

(*) The US pledged \$750,000 in 1959, \$500,000 firm plus \$250,000 on a matching basis. The contribution for 1960 is on the same terms.

(†) At the Pledging Conference, the Canadian representative indicated that the Canadian Government will be prepared to consider increasing this contribution by \$25,000 (to a total of \$75,000) if the contributions of other member states are adequate to ensure that the target for the program (\$1.5 million) will be reached.

*Contribution to the United Nations High
Commissioner for Refugees (UNHCR)*

The Office of the UNHCR was established by the General Assembly in 1950. Its main functions are international legal protection, promotion of permanent solutions to the problems of refugees and administration of emergency aid. Up to the end of 1958, Canada had contributed \$800,000 to the UNHCR including \$200,000 in each of the years 1957 and 1958.

The primary concern of the UNHCR's programme at the moment is the final clearance of the refugee camps under his mandate which have existed since the Second World War in Austria, Germany, Italy and Greece. The camp population at the end of 1958 was estimated at 31,000. A special effort to close these camps by late 1960 or early 1961 was initiated by the General Assembly in 1957 when it authorized the High Commissioner to seek additional funds to accelerate the camp clearance programme. Canada responded to his appeal with a contribution of \$290,000 in 1959, an increase of \$90,000 over the amount given in 1958.

Canada has also pledged a contribution of \$290,000 to the High Commissioner's program for 1960. In addition it is making a special contribution to the World Refugee Year by financing the transportation, hospitalization and treatment in Canada of 100 Tubercular refugees and their families. The estimated cost of this programme to the Federal Government is \$600,000 during the first twelve months of its operation. Other countries, including the USA, UK, Netherlands, Sweden and Switzerland, are also making contributions to the World Refugee Year either by increasing their cash contributions to the High Commissioner's program or by admitting and caring for so-called "hard-core" refugees. Partly because of the variety of ways in which assistance is being provided and partly because complete and up-to-date information is not available, it is not possible to provide an accurate summary of these contributions.

United Nations Children's Fund

The United Nations Children's Fund (UNICEF), generally held to be one of the most useful and successful of United Nations Agencies, concentrates on assisting governments, chiefly of the underdeveloped countries, to develop permanent health and welfare services for children and to combat diseases like malaria, trachoma and yaws, to which children are particularly susceptible. UNICEF depends entirely on voluntary government and private contributions. Governments seeking aid from the Fund must at least match UNICEF's contribution to the programmes which they ask UNICEF to help. This encourages governments to frame requests carefully and, in effect, doubles the amounts made available through UNICEF for child welfare programmes. UNICEF allocated approximately \$28 million dollars to such programmes in 1959, almost half for disease control.

The United States contributes more than half of UNICEF's funds. Canada has been a consistent supporter of UNICEF. Our contribution since 1956 has been \$650,000 annually. The following table shows the contributions of the twelve largest contributors to UNICEF in 1959:

CONTRIBUTIONS 1959 (U.S. DOLLARS)

United States	\$ 11,000,000
Brazil	998,541
Canada	679,073
France	669,809
United Kingdom	658,000
Germany (Federal Republic)	523,810

CONTRIBUTIONS 1959 (U.S. DOLLARS)

Australia	501,760
Mexico	500,000
USSR	500,000
India	482,781
Sweden	269,618
Switzerland	269,100

*Contribution to the United Nations Relief and Works Agency
for Palestine Refugees (UNRWA)*

The United Nations Relief and Works Agency for Palestine Refugees (UNRWA) provides relief and rehabilitation facilities for the refugees, now numbering over 960,000 who lost their homes and means of livelihood in Palestine during the hostilities which accompanied the establishment of Israel in 1948. The persistence of political difficulties between the Arabs and Israel has been a fundamental obstacle to achieving a permanent solution. Until these difficulties are resolved and a mutually satisfactory political settlement reached, the problem is likely to continue even though it may be eased to some extent by general economic development in the region.

In 1958, the latest year for which audited accounts are available, the Agency spent \$31.8 million, \$24.0 million for relief (subsistence, health, shelter, etc.) and \$7.8 million for rehabilitation, principally general and vocational education). The Agency is financed by voluntary contributors. Up to the end of 1959 Canada had contributed \$9.3 million. Canada's contribution in each of the years 1958 and 1959 was \$2.0 million, including \$1.5 million in flour and \$500,000 in cash.

Pledges of contributions of leading contributors to the Agency for the years 1959 and 1960 are as follows (in \$ U.S.):

	1959	1960
U.S.	\$23,000,000 ¹	\$23,000,000 ¹
U.K.	5,400,000	5,540,000
Canada	2,075,000 ²	approx. 520,000 (500,000 Can.)
France	245,828	145,242
Germany	238,095	238,095
Australia	95,200	190,412

¹ Subject to condition that U.S. contribution must not exceed 70 per cent of total governmental contributions.

² Includes \$2,000,000 in flour.

*Contribution to the Inter-Governmental Committee on European Migration —
Far Eastern Program*

Since 1952 the Inter-Governmental Committee for European Migration has carried on a Far Eastern Program under which, by December 31, 1959, about 14,000 refugees of European origin (most of whom are White Russian refugees from the Bolshevik Revolution of 1917 or their children) have been moved out of China to overseas destinations, including some 1,500 during 1959. At the end of the year there were still an estimated 8,000 on the mainland of China awaiting transportation. ICEM plans to move about 4,000 of these refugees during 1960.

Canada contributed \$50,000 to this operation in each of the years 1954 and 1955 and then discontinued contributions temporarily because the Chinese Communist regime refused for approximately two years to issue exit visas to the refugees. In late 1957 the flow of refugees started again and in 1959 Canada

made a further contribution of \$60,000 to be applied to the 1958 program. Subject to parliamentary approval a further contribution of \$60,000, provided for in the 1960-61 Estimates, will be made to the 1959 program.

Contributions received for or pledged to the 1958 and 1959 programs by some leading contributors are as follows: (in \$ U.S.):

	1958	1959
U.S.A.	\$610,000	\$498,893
Belgium	150,000	—
Australia	145,600	—
U.K.	105,750	129,085
West Germany	100,000	—
Canada	63,000 (approx.)	63,000 (approx.)
	(\$60,000 Can.)	(\$60,000 Can.)
Switzerland	35,047	90,627
France	—	80,000

Contribution to Malaria Eradication Special Account of the World Health Organization

The World Health Organization has launched a campaign for the world-wide eradication of malaria and established a special fund to which governments and private agencies have been invited to make voluntary contributions. The fund is used by WHO to provide technical advice to countries in planning their campaigns, to evaluate progress and results, to assist in the training of personnel, to carry out research on the use and effectiveness of insecticides and to provide other services required to initiate programs which cannot be made available by governments themselves.

The Government has made provision in the 1960-61 estimates for a contribution to this program of \$100,000.

Contributions to the Malaria Account in 1959 and thus far pledged for 1960 are as follows for leading contributors (in \$ U.S.):

	1959	1960
U.S.A.	\$6,000,000	—
U.S.S.R.	—	\$250,000 ⁽¹⁾
Canada	—	105,000 (approx.)
		(\$100,000 Can.)
Poland	83,333	—
Australia	—	33,500
India	31,499	—
New Zealand	28,000	—

(1) This contribution is in kind and is valued at 1,000,000 rubles. It has been converted at the official rate of 4 rubles = \$1 (U.S.).

*United Nations Technical Assistance Training Centre
at University of British Columbia*

During 1958 the Director-General of the United Nations Technical Assistance Administration arranged with the University of British Columbia to establish a United Nations Regional Training and Recruitment Centre at the University. The Government of Canada agreed to the establishment of this Centre and subject to Parliamentary approval, agreed to make a special annual grant of \$10,000 to the United Nations as Canada's contribution for the fiscal years 1959-60, 1960-61 and 1961-62.

This Centre is designed to carry out two major functions—to give continuing guidance and arrange training programs for trainees assigned to it by the U.N.T.A.A. and to assist in the recruitment of experts for the United Nations Technical Assistance Program. The U.N.T.A.A. is providing the Director and some administrative staff and is making an annual contribution from its own resources to finance the operations of the Centre.

The Centre has operated successfully in its first year of operation and has proved to be a most useful body in relation to Canadian technical assistance programs. Twenty-three trainees from twelve countries have so far received training through the Centre.

The International Bank for Reconstruction and Development

The International Bank assists the development of productive facilities and resources in territories of members by extending loans where private capital is not available on reasonable terms, by guaranteeing loans made by private investors through the usual investment channels and by providing technical assistance. The loans are made from the paid-up subscriptions of member states, from the surplus accumulated by the bank and from loans raised in the markets of member states. From its inception to December 31, 1959, the Bank has made 249 loans in 51 countries and territories. At that date, loans amounted to U.S. \$4,871 million, of which U.S. \$3,591,195 had been disbursed to the borrowers. Canada's original subscription amounted to the equivalent of U.S. \$325 million of which U.S. \$65 million (20 per cent) was the paid-up portion, and U.S. \$260 million (80 per cent) consisted of a guarantee callable by the Bank only if its accumulated surplus is not sufficient to cover any defaults by borrowers on loans made or guaranteed by it. (The Bank has at no time been required to call on the guarantees of member states.) In 1959 there was a general increase of 100 per cent in the subscriptions of member states and Canada was one of the countries which requested a further special increase. For Canada the general increase mounted to U.S. \$325 million and the special increase to U.S. \$100 million. Of the total increase of U.S. \$425 million in the Canadian subscription, U.S. \$10 million is in the form of a paid-up subscription and the remainder is in the form of a guarantee.

International Monetary Fund

The International Monetary Fund promotes international monetary cooperation by providing the institutional framework for consultation and collaboration, by providing technical assistance, and by providing foreign currency or stand-by credits to tide member states over temporary balance of payment difficulties.

From the inception of the Fund to April 30, 1959, the Fund provided foreign currency to member states totalling the equivalent of U.S. \$3,280 million. On April 30, 1959, stand-by credits available to members amounted to the equivalent of U.S. \$1,132 million.

Canada's original quota in the Fund was U.S. \$300 million part of which consisted of a payment of U.S. \$75 million and the remainder consisted of non-interest-bearing notes which represent, in effect, a commitment to furnish Canadian dollar if and when requested by the Fund to meet the needs of its members for Canadian dollars. In 1959 there was a general increase of 50 per cent in the quotas of member states and Canada was one of the states which requested a further special increase. In Canada's case the special increase amounted to \$100 million, making a total increase in the Canadian

quota of U.S. \$250 million. Of this U.S. \$250 million, \$187.5 million consisted of non-interest-bearing notes and \$62.5 million was paid in U.S. dollars. Since the inception of the Fund Canada has therefore made U.S. dollar payments totalling U.S. \$137.5 million. With regard to the non-interest-bearing notes, all but Canadian \$15 million of these remain uncalled by the Fund.

International Finance Corporation

The International Finance Corporation, an affiliate of the International Bank for Reconstruction and Development, promotes the growth of productive private enterprise, particularly in the less-developed countries. It does so by investing its own funds in association with private capital where this is not available in sufficient quantity and on reasonable terms; by acting as a clearing house in bringing together investment opportunities and private capital, whether foreign or domestic; and by helping to enlist managerial skill and experience where these are not already available for a project. As of June 30, 1959, IFC had made investments in eleven countries totalling \$19.8 million.

The subscribed capital of IFC in U.S. \$93.7, of which Canada's share is U.S. \$3.6 million. This was fully paid when IFC was established in 1956.

Special Grants of Wheat and Flour

In early 1959, special grants of wheat and flour valued at \$13.5 million were made to India, (\$10.0 million) Paskistan, (\$2.5 million) and Ceylon (\$1.0 million). All the wheat and flour was shipped before the end of July 1959. Counterpart funds, to be used to finance the local costs of projects agreed upon by Canada and each of the three countries, were established in an amount equivalent to the dollar value of the wheat and flour shipped.

These special grants of wheat and flour helped to meet the growing demand for and consumption of foodstuffs in India, Pakistan and Ceylon and in so doing, eased the pressure on prices. They also tended to ease the pressures on the foreign exchange resources of these countries and thus allowed them to maintain their reserves at a higher level or to import more goods directly related to economic development.

Distribution of Dry Skim Milk through International Relief Agencies

During 1959, Canada contributed dry skim milk valued at \$2.5 million, to UNICEF, and to national and international agencies for distribution in other parts of the world.

HOUSE OF COMMONS

Third Session—Twenty-fourth Parliament

1960

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No 2

FRIDAY, MARCH 4, 1960

ESTIMATES 1960-61 OF THE DEPARTMENT OF
EXTERNAL AFFAIRS

Statement by the Honourable Howard C. Green, Secretary of State
for External Affairs

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1960

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.,
and Messrs.

Aitken (Miss),
Allard,
Batten,
Cardin,
Cathers,
Crestohl,
Eudes,
Fairfield,
Fleming (*Okanagan-
Revelstoke*),
Garland,
Hellyer,

Herridge,
Jones,
Kucherepa,
Lafrenière,
Lennard,
MacLellan,
Macquarrie,
Mandziuk,
Martin (*Essex East*),
McCleave,
McGee,
Montgomery,

Nesbitt,
Nugent,
Pearson,
Pratt,
Regier,
Richard (*Ottawa East*),
Slogan,
Smith (*Calgary South*),
Stinson,
Valade,
Vivian—35.

Eric H. Jones,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

FRIDAY, March 4, 1960
(3)

The Standing Committee on External Affairs met at 9.30 o'clock a.m. this day, the Chairman, Mr. H. O. White, presiding.

Members present: Miss Aitken and Messrs. Batten, Cathers, Fairfield, Fleming (*Okanagan-Revelstoke*), Herridge, Lafrenière, Macquarrie, Mandziuk, Martin (*Essex East*), McCleave, McGee, Montgomery, Nesbitt, Nugent, Pearson, Pratt, Slogan, Smith (*Calgary South*), and White—20.

In attendance: The Honourable Howard C. Green, Secretary of State for External Affairs; and Messrs. N. A. Robertson, Under-Secretary of State for External Affairs; Ross Campbell, Special Assistant to the Minister; T. C. Hammond, Executive Assistant to the Minister; J. H. Cleveland, Head, American Division; H. B. Stewart, Head, Finance Division; G. S. Murray, Head, United Nations Division; G. F. Bruce, Economic Division; and B. A. Keith, European Division.

Continuing on Item 75 of the estimates of the Department of External Affairs, Departmental Administration, the Minister was further questioned on matters on which he had spoken to the Committee at its previous meeting on March 3rd.

The Committee agreed that it should meet next at 9.30 o'clock a.m. on Thursday, March 10th and Friday, March 11th.

At 10.35 o'clock a.m. the Committee adjourned until 9.30 o'clock a.m. on Thursday, March 10, 1960.

Eric H. Jones,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

First Year 1909

(3)

The meeting commenced at 10:00 A.M. and was held in the
auditorium of the University of California.

The first business was the reading of the minutes of the
previous meeting, which were approved.

The report of the committee on the proposed changes in the
curriculum was then read and discussed. The committee
recommended that the following changes be made:

1. That the course in English be extended to four years.
2. That the course in Latin be extended to three years.

The resolutions were then adopted and the meeting
closed at 11:00 A.M.

The next meeting will be held on Thursday, March 12, 1909.

Wm. H. Jones,
Secretary of the Board.

EVIDENCE

FRIDAY, March 4, 1960.

9:30 a.m.

The CHAIRMAN: Gentlemen, I see we have the necessary quorum. We will continue with item 75—departmental administration.

First, the minister has some answers to some questions that were asked yesterday, and then we will continue with questions on his statement.

Hon. HOWARD C. GREEN (*Secretary of State for External Affairs*): Mr. Chairman, yesterday I promised to give a list of the members of the Canadian commonwealth scholarship and fellowship committee and also of the chairmen of the specialized advisory committees set up under that central committee.

The chairman of the main committee is Dr. G. F. Curtis, dean of law, university of British Columbia. Then there are Dr. W. Argue, dean of science, university of New Brunswick; Monseigneur J. Garneau, moderator and secretary-general, Laval university; Dr. H. Gaudefroy, director, Ecole Polytechnique, university of Montreal; Dr. Marion E. Grant, dean of women, Acadia university; Dr. F. W. Jeanneret, chancellor, university of Toronto; Dr. A. G. McCalla, dean of agriculture, university of Alberta; Dr. T. H. Matthews, secretary of Canadian universities foundation; Dr. D. L. Thomson, dean of graduate studies and research, McGill university and Dr. W. J. Waines, dean of arts and science, university of Manitoba. Also, there is a representative of the Department of Trade and Commerce, a representative of the Department of External Affairs and representatives of the Canada Council and the National Research Council. The latter two will be associated with the committee in a consultative capacity.

The chairman of the specialized advisory committees are: Dean H. S. Armstrong, McMaster university, who is chairman of the committee on humanities and related fields; the Very Reverend H. F. Legare, Ottawa university, chairman of the social sciences and related fields; Dr. J. H. L. Johnstone, Dalhousie university, chairman of the committee on physical sciences and related fields and Dr. D. S. Rawson, university of Saskatchewan, chairman of the biological sciences and related fields.

I will have an answer to the question in regard to the diversion of waters in northern Ontario a little later in the morning.

Mr. MARTIN (*Essex East*): All of these appointees are designated by the universities conference?

The CHAIRMAN: Shall we continue on with the Columbia river, or are there any questions arising out of the disarmament discussion yesterday?

Mr. MARTIN (*Essex East*): Does the minister intend to make a statement or is it his wish that we proceed with general discussion and ask questions?

Mr. GREEN: I have no statement to make.

Mr. MARTIN (*Essex East*): The minister said in the house yesterday that he hoped—and I think he said by the end of next week—that there would be agreement on the western positions prior to the meeting on March 15 of the 10-power commission and that he was going to attend the meeting in Washington himself. Was that in connection with disarmament?

Mr. GREEN: That is different. That meeting is to be held about the middle of April and it will be a meeting of the five foreign ministers of the western nations who are represented on the 10-member disarmament committee. It will have to do with the question of disarmament in relation to the east-west summit meeting and not in connection with the meeting of the 10-nation committee.

Mr. MARTIN (*Essex East*): As the minister will recall, on February 11 the Prime Minister enunciated what he called his program for disarmament. The first point, as stated at page 991 in *Hansard*, was that:

Canada's policy should be directed to the achievement of maximum disarmament and the reduction of armed forces which can be verified and controlled without endangering the security of the nation against aggression.

In view of the enunciation of that particular one—and there were five altogether—would the minister comment on that particular proposition?

Mr. GREEN: Well, that is a general principle. I think all the items listed by the Prime Minister were in the nature of general principles, and set out the basic thinking of the Canadian government. I do not think there is anything further I can add to this.

Mr. MARTIN (*Essex East*): Will they be embodied in the position which we hope to see formulated before the end of next week?

Mr. GREEN: There were general principles—not actual statements which would of necessity be written into a western plan.

Mr. MARTIN (*Essex East*): May I address myself to the second one.

Whatever is done cannot be achieved overnight and will require to be done by steps or stages. To that end I suggest that immediate consideration and priority might be given to the control of missiles designed to deliver nuclear weapons of mass destruction and also to bring about an agreement whereby the location of missile sites should be designated.

Is that also in the category of a general principle or is it part of the Canadian proposal?

Mr. GREEN: No; I think all those statements were in the nature of general principles. There is a great deal of detail to be worked out in connection with this disarmament business. I think I pointed out there are different working groups set up under the 5-nation committee which have been studying the different aspects of the disarmament question. Then, of course, these will all be embodied in the form of a presentation when the ten nations meet.

Mr. MARTIN (*Essex East*): May I point out that I can well appreciate the minister's comment in regard to the first proposition stated by the Prime Minister; but in regard to the one to which I have just referred, I would suggest, with great respect, that the view which the minister just gave is not a tenable one, because what the Prime Minister said is this:

I suggest that immediate consideration and priority might be given to the control of missiles designed to deliver nuclear weapons of mass destruction and also to bring about an agreement whereby the location of missile sites should be designated.

That is not a general concept; that is a natural proposal. It is one which he says requires immediate consideration and, also, he says that it should be given priority. In the light of my last observation, will the minister comment on that?

Mr. GREEN: Of course, that is being considered with all the other proposals.

Mr. MARTIN (*Essex East*): Will that be part of the position that Canada hopes to see developed as a result of the discussions that are now going on in Washington?

Mr. GREEN: I do not think it would be very helpful if I were to make any statement with regard to what is to appear in the western proposals. Mr. Martin will realize that this would be tipping off the hand of the five western nations if one or all of them started to explain all the different items which were to be included in the western plan.

Mr. MARTIN (*Essex East*): I wonder if that is really the case. I have before me the British proposal made before the United Nations by Mr. Lloyd in September in which he develops a three-stage plan wherein he states, with precision, the various steps which Her Majesty's government in the United Kingdom thinks should be taken in this matter. Each of these steps is not dissimilar in character from the second proposal of the Prime Minister to which I directed the minister's attention a moment ago. I find it a little difficult to understand why, if it was possible for the British government to state its position as concretely as it did, it should be difficult for Canada, particularly in the light of the statement which the minister made the other day in the house as to the independent course which Canada would follow in these matters.

Mr. GREEN: The British statement on disarmament was made, in effect, as the western position in the United Nations a day or two before Premier Khrushchev made his statement on disarmament. I presume it was expected that the Soviets would be putting forward a plan. The British proposal which was made then, of course, is not necessarily the British proposal as of March 1960, but it has served as a very useful start for preparing the western case. No other western country made a similar statement at the United Nations in the fall.

Mr. MARTIN (*Essex East*): Do I understand that the British statement in September was a western position to which Canada adhered?

Mr. GREEN: I do not think it was a western position, but they made disarmament proposals as a counter—really, in preparation for a general statement which was expected from Premier Khrushchev.

Mr. MARTIN (*Essex East*): Then the third proposition of the Prime Minister was:

I believe the time has come that the nations should agree that the manufacture and use of biological and chemical weapons should be banned.

I emphasize, "the time has come". Can the minister say what position this third enunciation has in the Canadian concept of immediacy?

Mr. GREEN: This is one of our concepts which we think would be very wise in a disarmament agreement.

Mr. MARTIN (*Essex East*): Yes, that is clear. But the Prime Minister says:

... the time has come that the nations should agree ...

Has Canada taken steps to see that this third proposition of the Prime Minister is adequately dealt with?

Mr. GREEN: We have taken steps to see that all our proposals are included in a western plan. They may be, or they may not. We, of course, cannot have the final word as to just what the final plan will be.

Mr. PEARSON: On this particular point, may I ask the minister if he is not aware that there was a convention abolishing bacteriological and chemical warfare signed as far back, I think, as 1927. It was in the 20's some time. Also, is he not aware that in the plan put forward, not in September, but at

the end of February this year by the British, according to the *New York Times*, in the disarmament commission—a plan which is reported in great detail in the *New York Times* of February 28 as the basis for the western position—this particular proposal is put in the third stage of disarmament, not the first or second stage?

Mr. GREEN: There has been quite a lot of guessing as to what the western plan would be, and I think the article to which you refer, Mr. Pearson, is of that nature.

Mr. PEARSON: Well, it has not been denied in London; in fact, it has almost been confirmed in London, that this is the British plan which they have put forward to five western nations. But I only have these reports to go on.

Mr. GREEN: It would not be very wise for the five western nations to deny speculative reports which appear in the press. This business of speculating is perfectly legitimate and fair game; but if the governments concerned answered all the speculative stories, there would not be very much secrecy.

Mr. SMITH (*Calgary South*): Mr. Pearson, you mentioned that it had been confirmed. I wondered, by whom.

Mr. PEARSON: By the House of Commons in London, the basis of these British proposals for submission to the western—

Mr. SMITH (*Calgary South*): I do not quite follow. You say it had been confirmed. Confirmed by whom?

Mr. PEARSON: Confirmed by the British government, as the headings of their plan for disarmament, and reported in detail in the *New York Times*. I have not seen the British—

Mr. SMITH (*Calgary South*): The *New York Times* confirms it!

Mr. PEARSON: Well, I have the newspaper here. If the minister says this is merely a report which cannot be confirmed, of course we entirely accept that. But there is great detail here. It goes along with their proposals of last September, although in greater detail.

Mr. HERRIDGE: On this point, Mr. Chairman; I have not the newspaper clipping here, but there have been newspaper reports which indicate that the British and the Canadian governments are agreed on proposals that are not final so far as completion of disarmament inspection is concerned whereas the American government is pressing more in the first stage for a complete form of inspection that, according to the press reports, would make it more difficult to make some progress in the immediate future. Would the minister comment on that.

Mr. GREEN: These, again, are speculative reports. The British approach to the question of disarmament is very similar to our own. I will go that far, that our two countries are very much of the same mind on these questions.

Mr. HERRIDGE: I am very glad to hear that.

Mr. MARTIN (*Essex East*): May I ask the minister this question, as I want to complete my questions on this program outlined by the Prime Minister in the house on March 11. I call the minister's attention to the fourth proposition in the Prime Minister's disarmament plan. He said:

If we are to preserve the future of mankind I believe that outer space should now, . . .

I underline the word "now":

. . . before further advances are made in its exploration, be declared banned to other than peaceful purposes and that the mounting of armaments on satellites should be outlawed.

Is that a statement of policy? Is that one of the cardinal principles in the Canadian approach, the full revelation of which we are to learn about next week?

Mr. GREEN: Yes.

Mr. MARTIN (*Essex East*): The Prime Minister used the word "now". This is one of the conditions precedent, almost.

Mr. GREEN: Yes, that is our belief.

Mr. MARTIN (*Essex East*): And that would be in the first stage, as far as Canada is concerned?

Mr. GREEN: Well, I cannot go into the question of stages at this time.

Mr. MARTIN (*Essex East*): The point that I emphasized was the use of the word "now". Then the Prime Minister goes on to say, as his next proposition:

I would think that a major course leading to disarmament would be a declaration that the production of fissile material for weapons should be ended and that existing stocks should be transferred to peaceful uses as soon as a practical plan can be agreed upon.

In what respect does that fit into the Canadian plan?

Mr. GREEN: Well, this is another one of our beliefs, that this should be included in a disarmament agreement.

Mr. MARTIN (*Essex East*): You would regard that as a general concept and distinguishable from the fourth and the third propositions of the Prime Minister?

Mr. GREEN: Distinguishable from which?

Mr. MARTIN (*Essex East*): From the fourth and the third propositions, which were concrete plans?

Mr. GREEN: I think all the principles are of the same nature. I do not divide them into two different categories.

Mr. MARTIN (*Essex East*): But the second one:

...that immediate consideration and priority might be given to the control of missiles designed...

That is not in that category. And, likewise, the statement of the Prime Minister No. 3, that:

...the time has come that the nations should agree that the manufacture and use of biological and chemical weapons should be banned.

Those are definite, practical propositions.

Mr. GREEN: All these proposals are practical, Mr. Martin.

Mr. MARTIN (*Essex East*): Pardon? What is that statement?

Mr. HERRIDGE: The minister said that they are all practical.

Mr. MARTIN (*Essex East*): This is a very important matter, and I think we would want to make sure that the Prime Minister was really stating what the minister himself had in mind, and that this was not an extemporary observation on the part of the Prime Minister.

Mr. GREEN: These are all objectives which Canada is seeking in the field of disarmament.

Mr. MARTIN (*Essex East*): What is the position in the Canadian attitude towards the international police force or, as the Prime Minister calls it, "an international military force"?

Mr. GREEN: I think the Prime Minister set that out in his statement.

Mr. MARTIN (*Essex East*): As the Prime Minister said:

It has been advanced since the 1600's that an international military force should be begun whose capability would be the restraining of nations from aggression—

the question I was asking the minister was this: Did Canada have a plan towards an international police force, and what relationship does that have to the disarmament program? Is that going to be put forward as a condition precedent, as Mr. Herter suggested in Washington the other day?

Mr. GREEN: This is one of our objectives for the disarmament negotiations. As you know, we have already a battalion earmarked for service with the United Nations, in the meantime, should the government decide a battalion should be used for such purposes. The working out of an international force would not be one of the first steps, I would think.

Mr. PEARSON: Mr. Chairman, this particular plan of the Prime Minister goes well beyond anything the minister has just mentioned, because he said we should have an international military force—

—whose capability would be the restraining of nations from aggression.
—that would be of any nation, including the most powerful.

Mr. GREEN: The idea was that as national armaments are reduced an international authority should be built up which would dispose of a military force capable of restraining aggression. Of course, we would like to see that force under the United Nations.

Mr. MARTIN (*Essex East*): Finally, if I could ask you with regard to the Prime Minister's program on disarmament: Can the minister say whether or not there will be any place in a concrete plan put forward by the western powers, or by Canada, for the use of the international court of justice in that plan?

Mr. GREEN: I am not sure, but I do not think the Prime Minister mentioned that in his speech.

Mr. MARTIN (*Essex East*): I wonder at the time; but the Prime Minister just referred to the international court of justice and the question of compulsory jurisdiction. The reading of the speech certainly indicates it is all part of the disarmament proposals of the government of Canada.

I was just wondering what the comments were, or what the view of the minister was with regard to that.

Mr. GREEN: I do not know that that would be included as part of the disarmament proposals.

Mr. MARTIN (*Essex East*): I should not have thought so.

Mr. GREEN: Certainly this is our thinking, that the international court of justice should be used a great deal more than it has been in the past.

Probably there would also have to be some type of international organization set up by the United Nations to carry out the various aspects of any disarmament agreement. I would think that that would be essential.

Mr. MARTIN (*Essex East*): Then it is quite clear that reference to the court cannot have anything to do with a disarmament proposal, as the Prime Minister indicated?

Mr. GREEN: Such an organization as the international court of justice would have to be strengthened, in our opinion, to help protect world peace.

Mr. MARTIN (*Essex East*): We are all agreed on that, but I am simply saying that any suggestion by the Prime Minister concerning any refinements in the stature of the international court of justice could not be regarded as part of a disarmament proposal.

That is my question, and I take it we are in agreement.

Mr. GREEN: I would not say that. It might or might not come into the picture. There is no definite decision on Canada's part that it would not.

Mr. PEARSON: While we are dealing with this particular point, the Prime Minister did say, at page 992 of Hansard, that we should accept, as an initial step towards disarmament, the jurisdiction of the international court of justice, and he said:

—the stand that we have taken is that the principle of compulsory arbitration under law among nations would be effectual in the settlement of international disputes.

—which, of course, is a highly desirable principle.

May I ask the minister whether in this connection the Canadian government is willing to give up the reservations it has given towards the acceptance of the jurisdiction of the international court, in order to carry out the Prime Minister's principle?

Mr. GREEN: To give up what?

Mr. PEARSON: The Prime Minister mentioned three reservations in his statement at that time.

Mr. GREEN: I am not in a position to make a statement on that today.

Mr. SMITH (*Calgary South*): Mr. Minister I wonder if you could comment on a position which I can best describe by referring to Mr. Lloyd, when he spoke in the assembly, and said that some nations should not accept an all-or-nothing result in the disarmament discussions, and that we should, if necessary, be prepared to accept something less than total disarmament.

What I am speaking of, as an example, is elimination of surprise attack, which is an element of the discussion on disarmament and is something which, perhaps, would be more important to Canada than any other nation.

Mr. GREEN: The elimination of—what?

Mr. SMITH (*Calgary South*): The elimination of surprise attack, speaking of the relationship of our Arctic areas, and whether we will work, in these discussions, towards each of these elements as part of a total disarmament policy.

I am thinking principally of surprise attack as being part of the Canadian position in these discussions.

Mr. GREEN: Canada's first objective, of course, is to see a general disarmament agreement reached. I am uncertain just how long that would take. If all the nations really do not want to reach a disarmament agreement, then there will not be one reached. But we believe that disarmament is of vital importance, not only to Canada but to mankind as a whole, and that every effort must be made to reach the greatest possible agreement, to agree on as many suggestions as possible.

We are going into these meetings with the determination to do everything we can to get the widest possible agreement.

The Soviets started out by saying they were for general disarmament, and that would come about in four years. The western nations said they were for disarmament, but under effective controls.

I think there is a good deal of propaganda in the Soviet approach. In other words, they felt that saying, "We will have total disarmament in four years" had a great appeal to people all over the world; and there is no doubt that it had.

The western nations, instead of saying that, took the practical approach that certainly they were for disarmament, but subject to adequate controls. Whether that is just as appealing a stand to take as the Soviet stand you can

judge for yourselves; but from the start we have taken the position that all the proposals from the other side should be given careful consideration, and that Canada would do her part to try to get the ten nations together in a disarmament agreement that would be as wide as possible.

Mr. PEARSON: Mr. Chairman, I am sure we agree with the minister that Canada will certainly do her part. The minister indicated—not this morning but on other occasions—that he is more optimistic now about results being achieved through this present mechanism of disarmament than was possible in the last thirty years.

Mr. GREEN: That is going a long, long way back.

Mr. PEARSON: But that is when the first disarmament conference met at Geneva under the League of Nations. I wonder if the minister could give us the reason for his optimism, which we certainly hope would be justified?

Mr. GREEN: In my judgment the most favourable feature of the situation has been the relaxation in general tension. It started with Prime Minister Macmillan's visit to Moscow, and was increased by Premier Khrushchev's visit to the United States. It is being furthered also by subsequent visits, and by those which are still to take place.

I believe that a great many leaders in the world, both of the large and of the small nations, have reached the conclusion that a nuclear war does not make any sense to anybody, and that something has got to be done about it.

I think in Canada this is the view of the people from coast to coast, and I am sure it is the view of every member of this committee today.

We noticed at the United Nations that there was far less tension than there had been in the preceding year. Disarmament was the main topic of discussion during the whole session, and it is perfectly obvious what the nations there think about it—in any event the nations that do not have nuclear arms.

This is the main reason for my optimism. I also think it is of vital importance that Canada should go into negotiations on this disarmament question in a spirit of optimism.

If we all went into these negotiations convinced that nothing was going to happen, that there would be no success, I think there would be no chance whatever of success. The issues are so great that in my personal opinion we must have hope that there will be success.

This is not the case of doing away with a few battleships on each side, or of cutting down arms on each side. This, I am sure, is a question of the survival of civilization, and if we should go right off into a nuclear war, then civilization as we know it is finished.

The fact that we are in a hydrogen bomb age I think differentiates the present situation from all previous disarmament talks that have taken place. The question are so immeasurably portentous.

Mr. MARTIN (*Essex East*): I am sure we all agree with the statement the minister has just made, and I think we are all agreed that Canada should go to this discussion in the spirit that the minister has outlined. But at the same time we have to be realistic in examining this problem.

Will Canada definitely take the position that disarmament should not in any way be tied in with the settlement or the resolution of the vital political questions which confront the nations, particularly the great powers?

Mr. GREEN: The disarmament committee is set up to work on the problem of disarmament, quite apart from political questions which still remain to be settled; and I think that is the approach of all the western members of the 10-member committee.

Mr. HERRIDGE: I want to say that I am sure the minister's statement will receive the unanimous approval of the Canadian people, and that I agree with him, as I am sure all Canadians do, that we have to enter into these negotiations with faith that they will meet with some success.

Mr. GREEN: It is hopeless otherwise, in my judgment.

Mr. MARTIN (*Essex East*): I should like to return to a question I asked a moment ago when I did not fully appreciate the minister's reply. I suggested that while Canada's position might be one that disregards the relationship of the settlement of political problems with disarmament, that does not seem to be the case with some of the great powers. Let me ask the minister if he believes that there is any hope of real progress in this matter in the absence of settlement of some of the vital political questions that confront the nations?

Mr. GREEN: Yes, I do believe it. To take any other attitude would mean that the problem of disarmament could not be solved for a long time, because it may be some time before some or the political questions are settled. If the disarmament committee had to wait until those political questions were settled, there would not be much use in our meeting on March 15.

Mr. MARTIN (*Essex East*): But we know that the position taken by the United States, Great Britain, and the Soviets, is that there could be no progress until some of these problems were resolved, and one of them was the German question.

Mr. GREEN: That is not the situation, even with the powers that you have mentioned.

Mr. PEARSON: While I personally agree that the disarmament commission has to go ahead and do its job to the best of its ability, and we all hope it will be successful; but surely the minister will agree that you cannot ignore the relationship between disarmament between armaments and security—that it is going to be very hard to achieve effective disarmament because a lack of armament is a reflection of security.

Mr. GREEN: Of course, as the western powers say, there should be disarmament but under control.

Mr. PEARSON: There is one aspect of disarmament I would like to bring up, and that is nuclear tests, if no one else has any questions.

The CHAIRMAN: Are there any other questions?

Mr. PEARSON: The question of nuclear tests was brought to my mind by the minister's last statement on disarmament under control. But the minister in the House of Commons said that the Canadian government was opposed to further nuclear test period, and had been ever since that stand was taken in the United Nations.

And he said on a subsequent page that our policy was made perfectly clear in that regard last September, that is, for the abolition of nuclear tests, without any reference to control or inspection.

I wonder if the minister could indicate what statement made that policy clear to the United Nations, that we were concerned only with the abolition of nuclear tests, and not with control and inspection.

Mr. GREEN: I think that is hardly putting the situation accurately. I took the position in my opening speech at the United Nations against nuclear tests, we followed that, for example, by voting for the resolution which criticized France for conducting tests in the Sahara; and we have continued to take that stand.

We have done that, believing that the nations of both sides who might be carrying on tests should know this view; that they should know where Canada stands. We do not believe there should be any more tests, and insofar as our voice carries weight, it is that we are against any further nuclear tests.

Now at the same time the three nuclear powers have been meeting at Geneva trying to work out some agreement which will bring about permanent cessation of nuclear tests. As you know, Mr. Pearson, they are having some troubles about the question of controls and also as to whether or not it is possible to tell when an underground test of a certain type has taken place. We have been hopeful throughout and I express the hope now that it will be possible for those three nations to reach agreement with regard to this cessation of tests; and that would include reaching agreement about controls.

We are not, however, in the nuclear business and so far as we are concerned we believe there should be no more tests. That is the reason why we have taken that stand very clearly. If we had taken the other stand which you seem to imply, to the effect that we want to have a control system worked out first and, once there is a control system, that when we favour no more nuclear tests, it would not have helped very much. We believe it is of value for Canada to come right out and take the position that she believes there should be no more tests.

Mr. PEARSON: We are not in the nuclear business as the minister says, but we are a member of the disarmament commission which will be discussing the question of nuclear tests. As a matter of fact the Prime Minister also said the first point in the disarmament plans is to bring about the end of the nuclear tests. We are in the position to that extent, in that we will have to take a position when the commission meets. I take it from what the minister says, irrespective of what anybody else does, we will support the banning of nuclear tests; period. To that extent we will find ourselves in disagreement with the British, Americans, French and Italians.

Mr. GREEN: We have been in disagreement with them in the past and probably will be in the future.

Mr. PRATT: Do I understand Mr. Pearson to say there can be no disarmament without security?

Mr. PEARSON: No. I said there is relationship between disarmament and security and that it is very difficult to have an effective international disarmament convention in a world of insecurity, as we have learned in thirty years of trying to do it.

Mr. PRATT: Would Mr. Pearson say he believes there is security without disarmament?

Mr. PEARSON: No.

Mr. PRATT: You seem to be in a tough position.

Mr. PEARSON: We are in a tough position.

Mr. FLEMING (*Okanagan-Revelstoke*): In relation to Mr. Pearson's observation of a moment ago on the cessation of nuclear tests, is it not correct that the cessation of tests should be the objective, whereas control measures are simply the instrument whereby the objective once reached is secured. The objective still remains the cessation of tests, whereas the control is subsidiary to that in order to protect the objective.

Mr. GREEN: I think that is right.

Mr. PEARSON: I quite agree. The objective is a cessation of tests, and we should have control and inspection to make sure that our objective is maintained when we reach it.

Mr. FLEMING (*Okanagan-Revelstoke*): I think it should be made clear that the objective is something other than cessation of tests. That was my interpretation.

Mr. MARTIN (*Essex East*): No. I think the point is that the nuclear discussions at Geneva revealed that, in respect of detonations underground, beyond a certain distance it is not scientifically possible to detect them, and that on that account there can be no agreement because there can be no control. As I understand from the replies of the minister to Mr. Pearson, the Canadian position is that if there can be no control, notwithstanding that the Canadian government believes there should be cessation of nuclear tests.

Mr. GREEN: That is right.

Mr. PEARSON: Control or no control.

Mr. GREEN: That is right.

Mr. PEARSON: That is a perfectly clear position. How can you reconcile that position—unqualified opposition to tests—with the acceptance of practical nuclear weapons for use by Canadian forces which can be developed only as a result of tests.

Mr. GREEN: This is really a matter for the defence people.

The CHAIRMAN: We have dealt with the preparations for the east-west summit conference and we were dealing with the 5-power working group on disarmament. Shall we now go to the subject of NATO meetings?

Mr. MARTIN (*Essex East*): I just want to say I am sure we all feel we have not exhausted this subject which the government regards—and I think properly as one of the areas in which Canada can make a great contribution. As I understand it, yesterday you said we are only going to meet for an hour. I do not want to hold the minister here, but I understand we are going to have an opportunity to discuss this matter further with General Burns.

Mr. GREEN: What was that?

Mr. MARTIN (*Essex East*): I do not think we should feel we have exhausted this subject in an hour's sitting, because obviously we have not.

Mr. GREEN: I would be very glad to participate at any time in discussion of disarmament. We are very much concerned about this.

Mr. MARTIN (*Essex East*): It may be that after next week the position will be better resolved and this discussion could go on more constructively.

The CHAIRMAN: Are there any further questions on this?

Mr. SLOGAN: Last year in the committee on mines, forests and waters there was a great deal of discussion on the matter of the setting up of nuclear blasts in the Alberta tar sands. Was this blast called off because of the economics of the situation or because of our strong stand against nuclear tests.

Mr. GREEN: That is a difficult question. I hope it was called off at least in part because of our stand against nuclear tests. In fact a test of that kind almost certainly would be construed in certain parts of the world as a test for military purposes.

Mr. PEARSON: Perhaps this is not a fair question for the minister to be asked without notice, and he may take this as notice if he wishes. Has the minister or government ever considered the possibility of underground tests in these tar sands possibly being useful for economic purposes and as sort

of pilot tests, in that they may help to determine what is required in order to detect tests in other parts of the world. For that purpose they could be made under United Nations control so that we might learn something about these tests as part of an elaborate scheme of inspection and control around the world.

Mr. MCGEE: I believe there was such a test made in the international geophysical year, when an underground test was carried on in the United States and listening posts were established around the world.

Mr. GREEN: Mr. Pearson's suggestion is very interesting and I would like to take time to consider it.

Mr. SMITH (*Calgary South*): I understood from the announcements made by the government that this test had not been called off. I am speaking now of the nuclear tests in the tar sands. The statement was that until the technical committee had reported there would be no decision to proceed with it. The minister now indicates it has been called off partly because of Canada's position. Which is the case?

Mr. GREEN: I do not know that it has been called off officially. It probably has not been; but it has not taken place.

Mr. SMITH (*Calgary South*): Might I ask the minister if in all his statements with regard to the cessation of nuclear tests we perhaps incorrectly assumed he was speaking of nuclear weapons? Does he therefore regard that any suggestion of nuclear testing for peaceful purposes should also be abandoned?

Mr. GREEN: I did not go that far. I think Mr. Pearson's suggestion is one way of working that out.

Mr. SMITH (*Calgary South*): It is fairly obvious, I think, for economic purposes that in so far as the tar sands are concerned, which represent the greatest known reserve of oil in the world, we should be giving some thought to utilizing them for defence purposes as well as anything else.

Mr. GREEN: We are also interested in this question from the point of view of radiation and, until it is more accurately known around the world what the effects of radiation are on the human race, I think it would be wise for everybody to go slowly.

Mr. HERRIDGE: I am glad to hear the minister say that; it is very good reasoning.

Mr. MANDZIUK: I think the minister has, under questioning, spelled out the objectives or policy of Canada. Would he go along and agree that these may be modified, subject to opinions of other nations. After all, there are nine others and, just as in all agreements, objectives may have to be modified. We alone would be unable to take a hard and fast stand to the rest of the world. This is a matter of give and take when you come to any conference table. In the final analysis will it not depend on the decisions of the nuclear club, or whatever you want to call it—the three or four? Is it not correct that we are just creating an atmosphere by arousing public opinion to the dangers of these weapons and that we would like a cessation of their manufacture, of their testing and all this, but we shall not have the final say. Is that the case?

Mr. GREEN: No, I would not agree to that. The five western nations go into this meeting as equals; they do not go in in two different categories. Although one is with nuclear weapons and the other is without, our views are just as important as the views of any other countries.

Mr. PEARSON: Surely the minister will agree that if we are going to have an agreed western position, as you say, our objectives in these talks may have to be one of give and take, as well as go between.

Mr. GREEN: I was quarrelling with the suggestion that Canada was only there in sort of a remote advisory position.

Mr. MANDZIUK: Would the minister say whether or not the five western nations are all in accord with our views? Our views have been accepted in this committee, and the Leader of the Opposition and his lieutenant seem to be in accord. Are our four western friends in line with us or will we have to go and talk with them?

Mr. GREEN: We will do our best to bring them in line with our proposals.

Mr. PEARSON: More power to you.

Mr. MARTIN (*Essex East*): Could we possibly modify our position on the statement in regard to the cessation of tests in order to reach a compromise? I take it from the minister's statement that would be one area where our position is clear.

Mr. GREEN: Our position is and will be that we are against further nuclear tests.

Mr. MARTIN (*Essex East*): And there could be no compromise on that?

Mr. GREEN: I do not know what type of agreement will be reached.

Mr. MANDZIUK: As we do not have the final say we cannot blame the Canadian delegation if they do not put it across, because the final say will rest with the nuclear club.

Mr. GREEN: You are getting back to this old thesis with which I do not agree. Mind you, the question of nuclear testing is being dealt with at this other conference of the three countries, the United Kingdom, the United States and the Soviet Union.

Mr. NESBITT: As we probably will be discussing this matter again and, perhaps, in more detail on another occasion, I was just going to suggest that when questions are being asked—and this is a general observation that came up last year in the general assembly, and I dare say that Mr. Martin is aware of this—it might be well, in connection with these matters of disarmament dealings to differentiate between long term objectives and general principles, in order on the one hand to obtain these objectives and, on the other, detailed negotiations of how these principles are to be put into effect. I think this is a very good thing for members who are asking questions to keep in mind because there is a difference between detailed negotiations of how to obtain these principles and the general principles themselves.

An hon. MEMBER: Keep us on the ground.

Mr. MARTIN (*Essex East*): I just want to ask one question. I do not expect the minister to reply today, but I would like him to give consideration to this. In 1952, at the disarmament commission, the western powers agreed to six propositions as essential, in their judgment at that time, to a comprehensive disarmament agreement. The other day the United Kingdom, through Mr. Lloyd in the House of Commons, stated that those six principles still represent British policy.

I wondered if the minister could tell us at the next meeting whether that is the Canadian position. Those six principles were enunciated by the west in 1952 at the disarmament commission. I do not look for a reply now.

Mr. GREEN: We will have to check that up. We have lost track of those six principles, apparently.

Mr. MARTIN (*Essex East*): Oh, I do not think you have.

Mr. SMITH (*Calgary South*): Mr. Chairman, I just want to ask this question. The minister indicated that he wanted to see that there was no radiation—which is quite understandable—as a result of any nuclear explosions

underground inasfar as any atomic tests proposed at Athabaska are concerned, or any others proposed to date. He wanted to see that there was no effect of radiation as a result of these underground explosions.

Mr. GREEN: We would like to know a great deal more about the effects of radiation before we make any move.

Mr. HERRIDGE: Health should come before oil!

Mr. SMITH (*Calgary South*): I make the point that these tests have taken place already, without radiation.

Mr. GREEN: I have not answered Mr. Pearson's question about the Chicago diversion. Evidently the dewatering of the lake at the Steep Rock development has had no effect on the volume of water flowing into Lake Superior. There has been no diversion of water at Steep Rock from the Hudson bay watershed into the Great Lakes watershed.

Mr. PEARSON: There has been none?

Mr. GREEN: That is what I am told; there has been no diversion of water at Steep Rock from the Hudson bay watershed into the Great Lakes watershed.

Mr. CATHERS: Pardon me; there was development up there and water was diverted into Lake Superior from Hudson bay. I do not know how many years ago.

Mr. PEARSON: I believe there was the Ogoki river diversion.

Mr. N. A. ROBERTSON (*Under-Secretary of State for External Affairs*): That was into the St. Lawrence.

Mr. GREEN: This is referring to Steep Rock.

Mr. PEARSON: I did not mean to localize it. I thought in the past there had been some diversion from the Hudson bay watershed into the Great Lakes watershed, and I wanted to find out whether that had any compensatory effect on the level of the lake because of the withdrawal of water in Chicago.

Mr. CATHERS: I saw the figures about a year ago.

Mr. GREEN: In about 1942 there was a diversion of 5,000 cubic feet per second into Lake Superior, which is the Long Lac-Ogoki division.

The CHAIRMAN: There is one question from Mr. Nesbitt, and then we will adjourn.

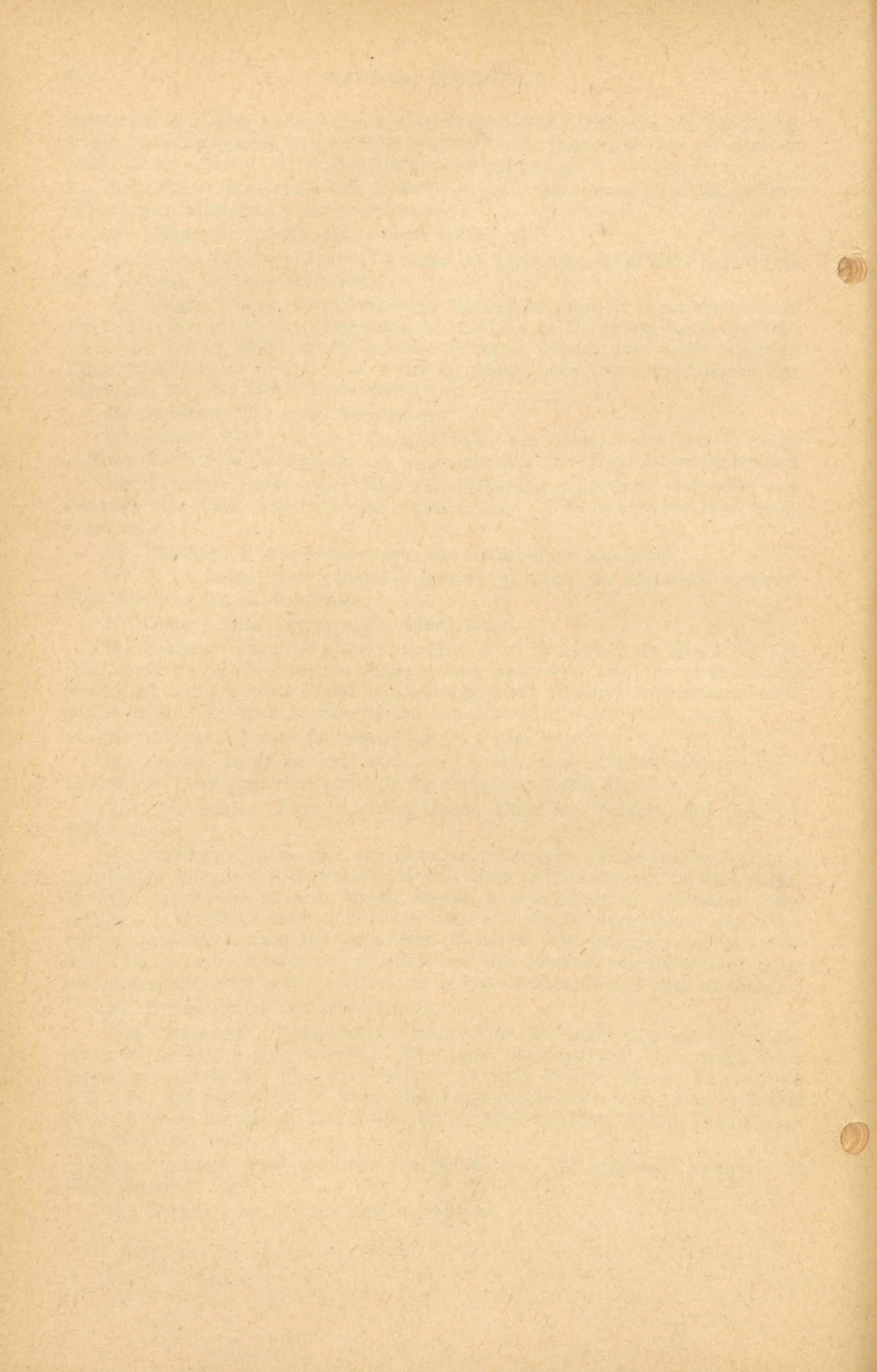
Mr. NESBITT: I have just one question. I wonder if the minister is in a position to inform the committee at this time with reference to this disarmament committee of ten, whose meetings are going to commence very shortly. Is it the purpose of this committee to devise, agree upon and work out an agreement upon the long-term objectives and principles of disarmament; or, on the other hand, to work out the detailed negotiations of these long-term objectives and principles; or is it a combination of both of these?

Mr. GREEN: A combination of both.

The CHAIRMAN: Gentlemen, I appreciate the good attendance at the committee meeting this morning. The next meetings will be a week from yesterday and today, Thursday, March 10, and Friday, March 11, both at 9.30 a.m. Do not forget to bring these documents with you. You will also have in your hands, at that time, the printed reports of the meetings of yesterday and today.

Mr. PEARSON: Will we have the pleasure of the minister's company at these meetings too?

Mr. GREEN: I am always glad to be here.



HOUSE OF COMMONS

Third Session—Twenty-fourth Parliament

1960

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

THURSDAY, MARCH 10, 1960

ESTIMATES 1960-61 OF THE DEPARTMENT OF
EXTERNAL AFFAIRS

Statement by the Honourable Howard C. Green, Secretary of State
for External Affairs

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1960

22735-5-1



STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.,
and Messrs.

Aitken (Miss),	Herridge,	Nesbitt,
Allard,	Jones,	Nugent,
Batten,	Kucherepa,	Pearson,
Cardin,	Lafrenière,	Pratt,
Cathers,	Lennard,	Regier,
Crestohl,	MacLellan,	Richard (<i>Ottawa East</i>),
Eudes,	Macquarrie,	Slogan,
Fairfield,	Mandziuk,	Smith (<i>Calgary South</i>),
Fleming (<i>Okanagan- Revelstoke</i>),	Martin (<i>Essex East</i>),	Stinson,
Garland,	McCleave,	Valade,
Hellyer,	McGee,	Vivian—35.
	Montgomery,	

Eric H. Jones,
Clerk of the Committee.

CORRIGENDA (*English Edition only*)

Minutes of Proceedings and Evidence No. 1, Thursday, March 3, 1960

Delete "Mr. PEARSON:" and substitute "Mr. MARTIN (*Essex East*):" in each of the following:

Page 26, 7th and 13th line from bottom.

Page 27, lines 5 and 8.

MINUTES OF PROCEEDINGS

THURSDAY, March 10, 1960.

(4)

The Standing Committee on External Affairs met at 9.30 o'clock a.m. this day, the Chairman, Mr. H. O. White, presiding.

Members present: Miss Aitken and Messrs. Allard, Batten, Crestohl, Fleming (*Okanagan-Revelstoke*), Hellyer, Herridge, Jones, Kucherepa, Lennard, Macquarrie, Mandziuk, Martin (*Essex East*), McCleave, McGee, Nesbitt, Pearson, Pratt, Regier, Richard (*Ottawa East*), Slogan, Smith (*Calgary South*), Stinson, Vivian and White—25.

In attendance: The Honourable Howard C. Green, Secretary of State for External Affairs; and Messrs. N. A. Robertson, Under-Secretary of State for External Affairs; Ross Campbell, Special Assistant to the Minister; T. C. Hammond, Executive Assistant to the Minister; J. H. Cleveland, Head, and D. W. Munro, American Division; H. B. Stewart, Head, Finance Division; Henry F. Davis, Head, European Division; and A. S. McGill, Economic Division II.

The Committee resumed its consideration of the 1960-61 estimates of the Department of External Affairs.

The Committee agreed to the request of Mr. Pearson that certain revisions be made to Issue No. 1 of the Committee's proceedings dated March 3, 1960. (*For detail thereof, see corrigenda on the second page of this issue.*)

Continuing on Item 75, Departmental Administration, the Minister was further questioned on matters on which he had spoken to the Committee on March 3rd.

At 11.00 o'clock a.m. the Committee adjourned until 9.30 o'clock a.m. on Friday, March 11, 1960.

Eric H. Jones,
Clerk of the Committee.

EVIDENCE

THURSDAY, March 10, 1960.

9.30 a.m.

The CHAIRMAN: Gentlemen, we have a good turnout of the committee this morning, and I have one or two short announcements to make.

One is that the chairmen of the various committees had a meeting with the whip this morning, and hours have been allotted for the sittings of the various committees. Unless some changes are made, which I do not anticipate, we will be meeting on Wednesdays at 9.30, for an hour and a half, and on Fridays, at 9.30, for an hour and a half.

Also we have arranged to have General McNaughton attend on Wednesday, March 16, and Friday March 18, subject to possible change, which we do not anticipate at the moment. There is one other item. Mr. Herridge wishes to say a word.

Mr. HERRIDGE: Thank you, Mr. Chairman.

I just wanted to bring to the attention of the committee that Canada lost a very good friend yesterday in the death of Senator Neuberger in Portland, Oregon. I know the minister knew him quite well and had very enjoyable conversations with him. He was a personal friend of mine and I kept in close touch with him because of his interest in Columbia basin affairs.

I could not do better than read into the record an editorial in the *Globe and Mail* of this morning, which is particularly cogent and well written and states the facts very well.

Senator Richard L. Neuberger, who died in Portland, Oregon, yesterday, was a true friend of Canada. It was his belief that ties between this country and the United States were so close and unquestioned, both in war and in peace, that nothing should be done to strain them. He took the trouble to visit Canada—not once, but many times—in determined attempts to understand our people, our problems and our complaints against the U.S. He praised the Canadian family allowance program as a great social experiment for the U.S. to study and copy; and at one time advocated formation of a police force modelled after the Royal Canadian Mounted Police to protect the voting rights and lives of negroes in the southern states. He was one of the first to offer a resolution in the U.S. Senate to create a joint Senate-House of Representatives committee to study Canada-United States relations.

Not all Mr. Neuberger's suggestions were acceptable to Canadians. His bill calling for joint action by the two countries to pave the Alaska highway was coolly received in Ottawa; and Canadians were incensed by his suggestions that the two countries join together to form one great North American community. But Mr. Neuberger did care something about Canada, and he did know something about Canada—which is more than could be said for many or most of his colleagues in Washington.

Particularly at this time, in view of his appreciation of the Canadian position with respect to the development of the Columbia and his interest in these Canadian-United States meetings, I am quite sure that in his passing Canada has lost a good friend.

I know that all members of the committee would wish to express their sympathy and their sense of loss to Mrs. Neuberger.

Hon. HOWARD C. GREEN (*Secretary of State for External Affairs*): If I may, I would simply like to add that I agree wholeheartedly with the expressions made by Mr. Herridge.

Senator Neuberger was with the Pacific command in northern British Columbia, the Yukon, and in Alaska, I presume, during the last war and both he and his wife had a very thorough understanding of the problems of the west coast. They were at all times particularly friendly to Canada. We have lost a very good friend in the death of Senator Neuberger.

Mr. PEARSON: May I associate myself and the colleagues of my party with the words which have been fittingly expressed by Mr. Herridge and Mr. Green.

The CHAIRMAN: We shall now continue with item 75 and the minister's discussion.

Mr. MARTIN (*Essex East*): May I raise one question concerning the business of the committee. You will recall that at our last meeting I had indicated that it might be desirable—subject to contingencies that might possibly be in the mind of the minister—that in view of the importance of disarmament at this time, the committee might want to have before it General Burns.

When I made that observation the minister was not in the room, and you said, Mr. Chairman, that the question would be dealt with by the minister when he arrived.

But I forgot to raise it again, and my forgetfulness was enriched by the action you yourself took in the House of Commons the next day when you mentioned that it would be desirable that the committee should have the power to sit while the house was sitting in view of the fact that General Burns was going to come before the committee.

I understand that General Burns is now in Paris at a meeting of the western powers on the commission.

What is the situation in view of the fact of the 10-power disarmament commission? Will there be an opportunity for us to have a talk with General Burns under circumstances that I am sure we could discuss? What is the situation in that regard?

Mr. GREEN: The meetings of the 10-member disarmament committee start on March 15 and no one knows yet what course those meetings will take. But I do think that a little later on it would be possible to have General Burns appear. He was only in Ottawa from late Friday night until Sunday night so there was no possibility of his appearing before the committee last week. I cannot give any more definite information than that at the moment.

The CHAIRMAN: I would like the committee to know that in response to Mr. Martin's question I mentioned it to the minister and he advised me of the situation and of the short time that General Burns was here. It was left that way.

Shall we now go on with item 75?

Mr. PEARSON: There is a matter regarding the accuracy of the record which I think I should bring up. It was a slip in the generally very accurate reporting that we get.

At the first meeting there was a series of very intelligent and penetrating questions addressed to the minister by Mr. Martin on the operation of the court of arbitration, and other things, and which are attributed to me. I think in fairness to Mr. Martin a correction should be made.

Mr. MARTIN (*Essex East*): In fairness to Mr. Pearson I think the correction should be immediate.

The CHAIRMAN: Those corrections will be made. (*See corrigenda on second page of this issue.*)

Mr. MARTIN (*Essex East*): These were questions which had to do with judicial proceedings in the United States regarding the Chicago water diversion.

The CHAIRMAN: When the meeting adjourned we were discussing disarmament and the 5-power working group thereon. Are there any further questions on that?

Mr. MARTIN (*Essex East*): Mr. Chairman, you will remember at the end of the meeting I asked the minister if the principles largely supported by the western powers in 1952 in the disarmament commission were now to be considered as forming a continuing part of Canada's foreign policy in this matter. The minister said he would be glad to answer that question today.

Mr. GREEN: Yes, Mr. Chairman. Mr. Martin asked about the six principles initiated by the western countries in the disarmament commission in 1952, which he said had recently been reaffirmed by Mr. Selwyn Lloyd. I believe he may be referring to the six principles introduced by the United States in a meeting of a subcommittee of the disarmament commission in April 1952. This statement was given support in principle by other western representatives at the time.

I have examined the statement and I may say that much of it remains valid and worthy of support—for example, the reference in it to the elimination of weapons of mass destruction and to the obligations of states under the charter of the United Nations. At the same time, because of the rapid advance of military technology, it seems to me that the formulations of 1952 are somewhat dated now. I would suggest, for example, that the statement shows that those who drafted it did not have to bear in mind—as we must today—the new complications of the disarmament question that have been introduced in such areas as those of surprise attack and outer space. Therefore I would prefer to say that, while this statement of principle retains some usefulness and validity, the basis of the Canadian government's policy is as stated by the Prime Minister and by myself in the recent debate on external affairs.

I cannot speak for any other government; but my understanding is that the United Kingdom position is based upon the proposals which were made by Mr. Selwyn Lloyd before the general assembly of the United Nations on September 17, 1959, and which were presented in a somewhat improved form to the 5-power group in Washington.

Mr. MARTIN (*Essex East*): May I ask a few questions on this matter now. I do not have before me the reference, but Mr. Selwyn Lloyd reaffirmed these principles in a speech made at Birmingham in the month of December. The minister does not deal with this except that he makes the statement that these principles would not seem to be practicable certainly in so far as the government of Canada is concerned. That is a little disturbing to me. I would have thought that the only exception that Canada could take would be to principle no. 5 which reads as follows:

Such international agreements must provide for this safeguard to ensure that all phases of the disarmament program are carried out.

While Canada, I take it, fully concurs in this principle, it does not in the case of cessation of tests; because the minister has stated that Canada's position with regard to the cessation of tests is that the government is in favour of cessation of tests, without qualification. In other words there might be situations particularly in respect of explosions underground beyond the

threshold where Canada would not insist on controls. I do not want to pursue it in detail now, but apart from that exception I do wonder whether or not the position is that we do not fully subscribe to all the principles involved in the six points.

Mr. GREEN: I think it would be very unrealistic for Canada or any other nation to base its policy on disarmament now on a proposal brought in eight years ago. That was before the hydrogen bomb had been developed to its present extremely destructive power. Actually the situation is changing from week to week. I for one would not want to consider that any policy I was enunciating had to go that far back for its substance.

Conditions are entirely different today in all the countries, including Great Britain. They have brought their proposals up to date and, while this resolution of 1952 is useful for reference purposes, it certainly is not the basis of Canada's position today.

Mr. MARTIN (*Essex East*): As I say, I do not want to pursue this in detail now but, in view of what the minister has just said, I think I would want it clearly understood that this was not a program. These were essential attitudes which most of the nations thought had to be taken in order to make effective any disarmament proposal partial or complete; and it would seem to me that this does not involve a failure to appreciate changes that have taken place since 1952. But, I believe, a careful examination of these principles will establish that Canada or any other western power could not possibly pursue a course in disarmament unless these principles were fully recognized and accepted.

I would suggest to the minister that a re-examination of his statement in this situation will reveal that is the position taken by Canada not in 1952 but in very recent periods, and also by the other countries, notably by the United Kingdom as late as December last. However, I do not want to pursue this in detail because I think if the situation were otherwise we would be agreeing to a form of disarmament without the necessary safeguards on which the west, I think, must insist—safeguards which chairman Khrushchev said in December would be made available by the Soviet Union.

Mr. PEARSON: On that same point, would the minister not agree that there can be no acceptable disarmament agreement which does not include adequate measures for control and inspection?

Mr. GREEN: Yes, that is right.

Mr. MARTIN (*Essex East*): That would not apply to tests.

Mr. GREEN: I have explained carefully that we do not believe there should be any further tests, and that is still our position. Actually, the question of tests is not being dealt with in the disarmament committee of ten but in the committee of three made up of the United Kingdom, the United States and the Soviets.

Mr. MARTIN (*Essex East*): Quite; but while the discussion of tests is taking place in the 3-power talks in Geneva ultimately a disarmament treaty will include measures in regard to atomic tests. In answer to a question by Mr. Pearson the minister has said he does agree that disarmament must proceed along lines which recognize the maintaining of controls. In connection with that, I would simply ask whether the minister is not now inconsistent, because he has just said—as he said the other day—that Canada agrees there should be a cessation of tests with or without controls.

Mr. GREEN: Well, I cannot make the decision clearer than I have done on various occasions. We do not see any further need for these tests which surely endanger the lives of people. We are very much concerned about

radiation and fallout, and the effects in the world. We have taken the clear position that we do not think there should be any further nuclear tests; and you will notice that these three countries have not had any nuclear tests for a period of nearly eighteen months. Now, in so far as Canada is concerned, the position is perfectly clear: whatever influence we can bring to bear on this question will be brought against the conducting of any further tests.

Mr. HERRIDGE: Mr. Chairman, on behalf of our party I want to compliment the minister on his very clear exposition of the government's position and its firm stand on this very important matter.

Mr. HELLYER: The minister said that there have been no atomic tests for the last 18 months.

Some hon. MEMBERS: No, he did not.

Mr. HELLYER: By those three powers. The representatives of the United States say that it is impossible to detect, with present devices, the conducting of underground tests. What is the attitude of the Canadian government to this continuing problem—because it seems to be one of the unresolved points in this discussion?

Mr. GREEN: I can only repeat what I have said so many times that we are against nuclear tests.

Mr. HELLYER: Notwithstanding the fact that underground tests cannot be detected?

Mr. GREEN: Notwithstanding what is said by the United States, the United Kingdom or the Soviet.

Mr. REGIER: I wonder if the minister would be able to make a statement as to what has been happening at Geneva in the negotiations in this regard.

Mr. GREEN: We are not a party to those negotiations, so we are not in a position to report on them.

Mr. REGIER: I realize that. However, is the minister aware of what exactly the difficulty, or the misunderstanding is at the present time in the negotiations?

Mr. GREEN: I think the argument is about the question of certain underground tests—and it is not all one sided, either.

Mr. PEARSON: Is it not the fact that at the Geneva talks the Soviet Union has now accepted measures for control and inspection of tests, except in so far as certain underground tests are concerned, and that is the only division between the parties now?

Mr. GREEN: I think there is some disagreement, also, about the type of control, the extent of control.

Mr. MARTIN (*Essex East*): About the effectiveness of the control beyond the threshold?

Mr. GREEN: About the extent of the control, as well as the question of effectiveness of control.

Mr. HELLYER: You mean, both the number of inspections and the number of inspectors allowed within the Soviet Union?

Mr. GREEN: There is dispute about the extent of inspection.

Mr. MARTIN (*Essex East*): Is not the real difficulty that the scientists cannot agree on the difference between earthquake tremors and tremors that might be occasioned by detonations of a nuclear weapon?

Mr. GREEN: There is a difference of opinion among the scientists. It is always a little dangerous to impute motives, but I think certain countries want to have certain types of tests.

Mr. PEARSON: Would it be fair to ask the minister whether he does not agree, then, that there is nothing now to prevent agreement at Geneva on tests, in the eyes of the Canadian government?

Mr. GREEN: I could not say that. This is for the three nations that are engaging in these negotiations to decide.

Mr. PEARSON: I only ask that question—

Mr. GREEN: Our position on this whole question is that we say there should be no more nuclear tests. I cannot make it any clearer than that.

Mr. PEARSON: That is perfectly clear.

Mr. GREEN: I do not know whether Mr. Pearson or Mr. Martin think that we should withdraw that stand and say that as far as we are concerned there can be tests until the method of control is agreed upon. That may mean that there will be further tests for a year or two years, or five years.

We think that the situation in the world today is such that there should be no more nuclear tests, and this is why we have taken the stand that we have taken.

Mr. PEARSON: All I am suggesting is that if that position were adopted by the four powers at Geneva, there would be no difficulty in reaching agreement.

Mr. GREEN: There would be no more tests.

Mr. PEARSON: May I ask the minister, on this point, whether there has been an agreed western position worked out on disarmament in Paris, as is stated in the press this morning, including presumably, all these matters we have been talking about?

Mr. GREEN: I am not in a position to make any statement about that. This is being discussed today in the NATO council, and the meeting of the 10-member committee does not take place until March 15.

Mr. MARTIN (*Essex East*): Will the minister be in a position to make a statement about Canada's position before the meeting of the 10-power commission on the fifteenth?

Mr. GREEN: What was the question?

Mr. MARTIN (*Essex East*): Will you be in a position to make a statement? You will remember you told me in the house that you had hoped there would be an agreement upon western position this week. I had rather thought that if that was the case you would be making a statement on behalf of Canada.

Mr. GREEN: I do not think I said I would make a statement on behalf of Canada before the meeting of the 10-member committee.

Mr. MARTIN (*Essex East*): In fairness to you, you did not say that, but I rather thought from your reply that one could draw that conclusion.

Mr. GREEN: I do not know how you drew that conclusion.

Mr. MARTIN (*Essex East*): Well, I have a rather fertile mind.

The CHAIRMAN: Shall we go on to the next item?

Mr. PEARSON: I think we interrupted the minister's statement on disarmament.

Mr. GREEN: You interrupted me?

Mr. PEARSON: Did not we interrupt the observations you were making on disarmament arising out of matters that occurred in the last meeting?

Mr. GREEN: No. There was a question about the compulsory jurisdiction of the international court of justice.

Mr. PEARSON: You are finished with disarmament then?

Mr. GREEN: Yes.

Mr. JONES: Mr. Chairman, there is something Mr. Martin said earlier, and I would like to have it clarified by him. When he was speaking of the invitation to General Burns to attend before this committee, I think he used the phrase that he be brought here under circumstances which would allow discussion of this matter. I am not quite clear what he meant by that—whether he meant in-camera meetings.

Mr. MARTIN (*Essex East*): I think, naturally, the presence of General Burns would have to be governed by the minister's judgment in the matter. After all, he is responsible for external policy, and the minister might find, in certain circumstances, that it would be difficult for General Burns to be free to an unrestricted examination. I just meant it would be subject to the minister's views on the matter.

The minister has now indicated he has no objection, but that it would not be possible to have General Burns here prior to the meeting of the fifteenth.

Mr. JONES: In other words, you were not in fact advocating an in-camera meeting?

Mr. MARTIN (*Essex East*): In this particular instance, I bowed to the superior knowledge of the minister.

Mr. PEARSON: I have one or two questions, not so much on disarmament as on armament. They arise out of the decision of the government, as previously enunciated, to use nuclear weapons in certain circumstances, both for defence at home and for defence in the NATO formations abroad.

I would like to ask the minister if he can report on the progress that has been made, if any, in negotiations with the United States government which would permit of the transfer of these weapons to Canadian authorities and for their control by Canadian authorities.

We were told a year ago that these negotiations were under way with the United States, and I was wondering if the minister can say anything about that now?

Mr. GREEN: There has been no agreement on that, Mr. Pearson. I am not in a position to make any report on that at the moment.

Mr. PEARSON: The negotiations are still under way, I take it?

Mr. GREEN: Certain negotiations are under way, but I think not on the particular point you mentioned.

Mr. PEARSON: Well, I would like to follow that up, Mr. Chairman, because we were told by the Prime Minister, in the session last year, that these negotiations were under way at that time. He gave nobody any reason to believe they would be completed shortly, but he said that in due course he would be able to report to the house as to the conclusion, or otherwise, of these negotiations.

This matter has become a question of some urgency because of reports from Washington that the President of the United States has advocated a change in the law to permit atomic weapons to be given to what he called, I think, "trusted allies"; and the reaction of congress to that suggestion—I think, on the part of certain elements in congress—that it would be of doubtful wisdom to change the present law which prevents that taking place.

In view of this discussion going on in Washington I thought it legitimate to inquire whether these negotiations are taking place now.

Mr. GREEN: I think this statement, which was reported some weeks ago, was not as definite as the reports indicated; and there are no negotiations going along in respect of this supposed change of policy at all.

Mr. PEARSON: So there are no negotiations going on now with the United States government in regard to the transfer of nuclear weapons to Canadian forces?

Mr. GREEN: I said, in respect of this statement which was reported a few weeks ago. I think that has since been pretty well cleared up in the press as being merely—I think it was given at a press conference, was not it?

Mr. PEARSON: Yes.

Mr. GREEN: The answer was given at a press conference; but I think it was exaggerated quite a bit in the press reports.

Mr. PEARSON: Perhaps it was.

Mr. GREEN: It is an internal matter in the United States, and does not involve Canada in any way.

Mr. PEARSON: But our negotiations with the United States are a Canadian matter, and I take it the minister has nothing to report on these negotiations which the Prime Minister told us a year ago were under way?

Mr. GREEN: No. There are discussions going on, off and on, between the various allies in NATO, but I know nothing definite yet.

Mr. PEARSON: I was relating these discussions entirely to the use of nuclear weapons by Canadian forces. As I understand it, for complete Canadian control of such weapons, if that is desirable, there would have to be a change in the United States law, and I understand that there were discussions a year ago regarding a possible change in that law, to make the transfer possible. I gather from what the minister said that he has nothing to report on these negotiations now, and does not know whether they are continuing now?

Mr. GREEN: That is true.

Mr. HELLYER: I wonder if the minister could comment on negotiations commenced between the Canadian and French governments with respect to the use of Canadian tactical aircraft from French bases which could carry atomic weapons?

Mr. GREEN: I am not in a position to report on that either. That is really a matter for the Department of National Defence.

Mr. HELLYER: Is not it one that would have to be worked out through your department?

Mr. GREEN: Not necessarily.

The CHAIRMAN: Any other questions? If not let us turn—

Mr. PEARSON: I would like to complete this matter. In view of what the minister has said about at least the suspension of negotiations, as I understand it—

Mr. GREEN: About what?

Mr. PEARSON: The suspension of these negotiations which the Prime Minister talked about a year ago—

Mr. GREEN: I do not think I used the word "suspension".

Mr. PEARSON: You said they were not going on.

Mr. GREEN: I said there had been discussions off and on; but I did not say anything about "suspension".

Mr. PEARSON: Well, I think perhaps we ought to try to get it clear, exactly what the situation is. The minister has said that he cannot report on these negotiations that were mentioned by the Prime Minister to the house, more than once, I think.

So, may I ask the minister whether these negotiations are continuing with regard to the change in the United States law which would make possible the transfer of nuclear weapons to Canadian forces, under Canadian control.

Mr. GREEN: I would put it in this way: from time to time discussions go on on this question of nuclear weapons.

Mr. PEARSON: May I then ask this question: is it still the decision of the government, as has been announced in certain circumstances—I am thinking of Bomarc missiles and the air division aircraft in Europe—is it still the decision of the government to use nuclear war heads?

Mr. GREEN: You will have to ask that of the defence department, Mr. Pearson.

Mr. PEARSON: I would be glad to ask it of the Defence Department, if I get the opportunity; but I asked it of the minister because this cannot be done without negotiations with the United States, and I felt that might be a matter for External Affairs as well as Defence.

Mr. GREEN: I think it is a pretty good principle, in the External Affairs Department or any other, to "stick to one's own knitting".

Mr. PEARSON: If it is not the knitting of External Affairs, I do not know what is.

Mr. HELLYER: Surely the minister recognizes that in matters of policy of this kind there should be liaison between the External Affairs and Defence departments, so that they would not be at sixes and sevens.

Mr. GREEN: We coordinate our policy with all departments.

Mr. HELLYER: But, at the time, so that there is no difference of opinion later on.

Mr. MARTIN (*Essex East*): Can the minister say anything about what the situation is in so far as Canada is concerned, following the announcement of the President of the United States to support the proposal of the supplying of arms to the allies of the United States? What is the situation now, in so far as Canada is concerned?

Mr. GREEN: Are you referring to the same statement Mr. Pearson was speaking of, the statement of a few weeks ago?

Mr. MARTIN (*Essex East*): Yes.

Mr. GREEN: There has been no change since that statement.

Mr. MARTIN (*Essex East*): No change?

Mr. GREEN: No.

Mr. MARTIN (*Essex East*): So far as you know, that is still the policy of the government of the United States?

Mr. GREEN: I know of no change in United States policy.

Mr. MARTIN (*Essex East*): What does that mean, in so far as Canada is concerned? We are going to be supplied with these?

Mr. GREEN: I dealt with that a few minutes ago in my reply to Mr. Pearson.

Mr. MARTIN (*Essex East*): It was because—if I may say, with much appreciation of the minister's position—I did not think the minister dealt with it that I dared repeat the question.

Mr. GREEN: I think you are coming at the same objective by a little different route.

Mr. PEARSON: Mr. Chairman, perhaps the best way to proceed would be to get the actual statements made by the president and confront the minister with specific statements made by the United States government. We could do this at our next meeting.

Mr. MARTIN (*Essex East*): Could the minister shed any light on the assertion of the foreign minister for the government of Switzerland following the statement of the president that the people of Switzerland would have the use of atomic arms from the United States or from Great Britain or France?

Mr. GREEN: I have not seen that statement by the foreign minister of Switzerland. Therefore, I would not care to comment on it.

The CHAIRMAN: Shall we go on to the matter of the permanent court of arbitration, Canadian membership?

Mr. PEARSON: Mr. Chairman, if no one else has a question to ask on this, I would like to ask the minister one or two questions because I was extremely interested in his statement the other day to the effect that our policy now is to emphasize the importance of the court of arbitration, for the reasons he gave, rather than perhaps the world court. I am not suggesting—

Mr. GREEN: I did not say that.

Mr. PEARSON: You emphasized the importance of the court of arbitration which, as I understand it, has not been used very extensively in recent years. In the House of Commons the Prime Minister discussed this matter—this is on page 992 of *Hansard*—and he said:

All through the years the stand that we have taken is that the principle of compulsory arbitration under law among nations would be effectual in the settlement of international disputes.

Then he advocated—and I am not quarreling a bit because I agree with the statement—that it would be desirable for as many parties as possible to accept compulsory jurisdiction of the world court by indicating our responsibility in regard to the world court, which I think is quite right. But, if that is to be our policy, to emphasize the court of arbitration and also emphasize the importance of the world court by underlining the advisability of accepting its compulsory jurisdiction and the abandonment of reservations, is it now to be the policy of Canada to drop its own reservations which we have maintained over the years to the jurisdiction of the world court?

Mr. GREEN: I have an answer here from the department on that. You have asked if the Canadian government is going to give up its reservations in respect of the compulsory jurisdiction of the international court of justice. You referred to a statement made by the Prime Minister, presumably the one in which he outlined to the house on February 11 the three principal Canadian reservations to the statute of the international court of justice. These are the reservations: of disputes between members of the commonwealth of nations, of disputes arising out of World War II, and of disputes which are of a purely domestic nature.

It will of course be appreciated that the reservation relating to disputes between members of the commonwealth is grounded in the very special relationship which exists between members of the commonwealth. All members of the commonwealth, with one exception—Pakistan—which have accepted the compulsory jurisdiction of the court, have similar reservations.

Our war reservations clause was communicated to the court on December 7, 1939, at which time it was explained that our general acceptance of the compulsory jurisdiction of the court was considered a necessary part of the system of law established by the covenant of the League of Nations for the preservation of peace. It was stated that as the conditions under which the original Canadian declaration was deposited no longer existed it was necessary for the Canadian government to exclude disputes arising out of events occurring during World War II. The war reservation clause, or a clause with similar effect is also found in the declarations of most of those states directly engaged in the second world war.

The reservation relating to questions which by international law fall exclusively within the jurisdiction of Canada is no more than a restatement of a condition which is entrenched in the statute of the court in article 36(6)

which states that "in the event of a dispute as to whether the court has jurisdiction, the matter shall be settled by the decision of the court."

The four remaining reservations, all of which are of minor character, are as follows:

- (1) A reservation stating that our acceptance applies only on condition of reciprocity to those other states accepting the compulsory jurisdiction of the court.

This reservation does not actually limit the jurisdiction of the court as it is merely a restatement of article 36(2) of the statute of the court.

- (2) The reservation of disputes arising prior to the date of Canada's ratification of the declaration of acceptance—July 29, 1930.

It has been the normal practice of states not to make their declarations of acceptance of the court's jurisdiction retroactive.

- (3) The reservation of disputes concerning which the parties agree to some other method of peaceful settlement.

The reason for this clause is self-evident and I need not elaborate.

- (4) The reservation of disputes under consideration by the council of the League of Nations.

This reservation, of course, no longer carries any force and thus does not in any way limit the jurisdiction of the international court.

It should be made clear that Canada's acceptance of the compulsory jurisdiction of the court is more far-reaching and generous than the acceptances of many other states. In fact the Canadian declaration is generally less restrictive than those of the major western powers. Indeed, there is no member of the commonwealth whose acceptance is more liberal than that of Canada. The terms of the Canadian acceptance reflect our faith in the court and our concern that the rule of law should be strengthened and extended by the wider use of the court. Although Canada has a number of reservations, these are largely of a very minor character. Some merely reiterate articles of the statute of the court itself and none unduly derogates from the jurisdiction of the court. It is our intention that reservations will be deleted at such time as it is considered that the deletion of one or more is justifiable and will usefully enhance the authority of the court.

Mr. MARTIN (*Essex East*): This is a very interesting statement from the minister. The president and the vice president of the United States have proposed that the United States should give leadership in a wider acceptance of the procedures of the court, and one of the proposed modifications is touched upon by the minister, but not in terms which I think are sufficiently explicit.

The president and the vice president have both urged not only that the United States should accept the compulsory jurisdiction of the court as they have done, but that they should hereafter agree to drop one of the conditions of that acceptance, namely the insistence heretofore that the United States itself should determine whether or not a question is of a domestic character. Of course that represents a considerable advance.

Now, do I understand that the position that Canada is prepared to take is that in respect of questions which are of a domestic character in our judgment we reserve for ourselves the right to make that determination, or are we going to leave that up to the court?

Mr. GREEN: Your question is based on a false premise because, while this may be an advance for the United States, they were a long way behind Canada before they made this advance.

Mr. MARTIN (*Essex East*): I quite agree.

Mr. GREEN: When they make this statement, they are just about catching up with the position Canada has taken.

Mr. MARTIN (*Essex East*): That may be; but I do not think the minister is doing justice to the question. I agree that Canada has accepted a wider measure of the court's jurisdiction than any other country in the commonwealth and the United States. The point I am making, however, is, that the president has said, with regard to the reservation of the United States that she shall determine what is a domestic question, that he is prepared to recommend that hereafter the government of the United States will agree to have the question of domestic jurisdiction determined by the court, and not by the United States.

That being the position of the United States, my question to the minister is as to what position Canada is taking with regard to this question of domestic jurisdiction. Is she going to continue to say it will be up to the government of Canada to determine whether or not a question is of a domestic character or is she going to leave that to the determination of the international court of justice?

Mr. GREEN: Apparently we have always left that to the court to determine.

Mr. MARTIN (*Essex East*): Not according to the Prime Minister.

Mr. PEARSON: Then our reservation on domestic jurisdiction does not take away from the court the right to decide whether or not a matter is domestic?

Mr. GREEN: That is right.

Mr. PEARSON: On this point may I ask the minister whether his attention has been brought to a proposal made in the United States a year ago by the vice president to the effect that some progress may be made in the discussion on compulsory jurisdiction, which is what the Prime Minister was advocating in his statement in the house, by including in all treaties in the future a clause to the effect that if there are any disputes arising out of these treaties—as we know there often are—disputes relating to the interpretation of a treaty should be submitted to the court for decision. Would that not be a useful advance?

Mr. GREEN: Apparently this is consonant with our position.

Mr. PEARSON: So I take it that that is our proposal.

Mr. GREEN: Yes, we would welcome it.

Mr. JONES: Mr. Chairman, in order to clarify the position of the United States in respect of the determination of what is a domestic matter, it is my understanding that they have not resolved this in the United States. It is still before the United States Senate subcommittee on foreign affairs?

Mr. GREEN: Yes; that is correct.

The CHAIRMAN: Are there any other questions?

We will now pass on to the Colombo plan and other assistance programs. A statement thereon on this has been printed in our proceedings, as an appendix to issue no. 1.

Mr. PEARSON: If we go on with the Colombo plan report now I am assuming that will not preclude questions of the minister on other matters arising out of the first statement.

The CHAIRMAN: No. I think that questions will be in order until the item is concluded.

Mr. MCGEE: Mr. Chairman, last year I raised a matter during the concluding sessions of this committee. It concerns a method of conveying the extent and type of foreign aid which Canada is rendering all over the world. At that time what I had in mind was a fairly large map of the world with the areas where Canadian participation in various programs and direct aid could be shown graphically. My suggestion is that these be constructed on a graph

showing the per capita contribution of Canada to the various programs and that this be broken down in turn according to the nature and classification of that aid.

My purpose in asking for this type of graphic demonstration is that there have been continuing requests from persons and various organizations in my constituency who frankly are not clearly aware of the extent of this activity. In my attempt to provide concise, or even reasonably concise, presentations to these associations I have had to wade through rather staggering amounts of statistical material and detail. I have discussed this with other members and they feel much the same way about it—that they have such requests from their constituents or people in general.

I am wondering if the department could take this as a suggestion and possibly come up with something of a preliminary nature which could be shown to the committee later this session. I have in mind particularly the type of thing which appears from time to time in the *New York Times*. There they are more concerned with the comparative contributions of the United States as compared with the Soviet Union in different areas of the world. I would like this expanded to include specifically the Canadian aid as opposed to these other areas, and on a per capita basis which I think would more graphically demonstrate just what Canada is doing in this field.

Mr. GREEN: That seems to me to be a very good idea. We will endeavour to work out some such map. Mind you, it would have to be done in co-operation with Dr. Ault of the Department of Trade and Commerce who is the key man in Colombo plan aid.

Mr. MCGEE: I appreciate that. What I had in mind is a fairly large map about the size of these two tables which could be shown to interested groups. As you are very much aware, there are large numbers of such groups who would be most interested, apart from members and other experts in the field, if this thing could be demonstrated as simply as possible.

Mr. GREEN: Yes, it would be very helpful. I presume the committee will be calling Dr. Ault at a later date.

Mr. PEARSON: Is it possible to get this information concerning other countries as well as our own in order to make a comparison? It may not be too easy to obtain all the statistical information from other countries.

Mr. MCGEE: I appreciate that, but surely we can gather all the available information, put it together and have as much as is known.

Mr. PEARSON: Surely my hon. friend would be able to satisfy all his queries by quoting what the minister said at page 1137 of *Hansard*:

Canada, I think, has done more than any other country in this regard.

He was referring to economic aid.

Mr. JONES: When we were discussing this question last year we raised the matter of making available an information officer. What progress has been made on that suggestion?

Mr. GREEN: Have we not an information officer in the Department of Trade and Commerce?

The CHAIRMAN: I recall a reference to that at a meeting a year ago. I think it was more or less understood that information would be provided to us. I do not know how much work is being done on it, but I think it was quite clearly understood.

Mr. SLOGAN: Mr. Chairman, there was a most recent study by the Canadian-American committee entitled *The Soviet Threat to our Economy*. This reviewed

the foreign aid program of the west and compared it to that in the communist world. One of the conclusions they drew is that the foreign aid that is given by the communist countries seems to have a profound effect upon the people. They likened our program to a big brother who supplies food and clothing for the hungry member of the family, and the communist aid as the rich uncle who drops in once in a while and gives him some spending money.

It appears that the whole program in the west is more of a humanitarian nature, whereas the program in the communist countries would be more of a political nature. I am wondering if the minister would like to comment on the effect of our foreign aid program vis-a-vis the foreign aid program that is being given by the communist countries.

Mr. GREEN: In my opinion our foreign aid program is very beneficial both to the country which receives the aid and also to Canada. The Soviet does not give the hand-outs as you have indicated. I do not think it is a case of a rich uncle giving a gift. As I understand, their policy is to charge interest on all the advances they make. Of course it is human nature, I suppose, to feel that the other fellow is getting ahead of us, but so far as Canada is concerned our foreign plan has been just as good or better than the Soviet plan. One very worthwhile feature of our plan is the bringing of young people from these countries to Canada for training. They will all be going back as leaders and will be holding very responsible posts within a very short time. In my experience they are very friendly to Canada and will go back as friends of ours for the rest of their lives. I think both Canada and Australia are of the opinion that this particular branch of foreign aid programs is the most effective, both to the recipients and to the donors.

Mr. SLOGAN: I think that perhaps my observation was not very clear. This little booklet did state that the program in the west was far larger, and it was directed towards the basic humanitarian interest of causing more development in the under-developed countries. The Soviet program was more of a hit-and-run nature. They felt that the Soviet Union took more political advantage from any aid they gave. They tend to come in at a very focal point and tend to have an impact on the people, more so than the western programs.

Mr. GREEN: I am not in a position to comment on that further.

Mr. HELLYER: Mr. Slogan's point is that the Russians are far better propagandists than the west; is that it?

Mr. SLOGAN: Yes, that is probably what I mean. I might add the observation that our government seems to be admirably suited to give the western world some leadership in this particular field.

Mr. GREEN: It does not always pay to be a propagandist in the long run.

Mr. HELLYER: It is part of the cold war, though, Mr. Minister.

Mr. GREEN: I think we overrate the value of propaganda. The people in these countries are just as smart as we are. When you say that you can influence them by propaganda, I think that is covering quite a lot of territory. Certainly from my experience in the United Nations they are just as bright and smart as we are. They see through all these things just as we see through them; and I would hesitate to advocate that Canada should adopt a propagandist approach in her foreign aid program.

I think the strength of the foreign aid program is to give this assistance from the heart and give it in a sensible way, seeing that the country that receives the help really has the final word in the type of aid that is to be given and the way that it is to be used. In that way we gain genuine friends.

Mr. PEARSON: Hear hear.

Mr. GREEN: This has been the policy followed by the last government as well as by our own, and I think it is a sensible policy to follow.

Some hon. MEMBERS: Hear, hear.

Mr. FLEMING (*Okanagan-Revelstoke*): In so much of our references to training programs in technical assistance aid the emphasis is given to university training, the training of leaders and the university courses available to the people from the African and Asian countries. This is completely desirable, because the development of a balanced economy depends a great deal on the large-scale work force, skilled tradesmen and technicians.

How much emphasis do we give to training of this sort in trades—training, so that there is an adequate force to carry out the development of the economy which the leaders are endeavouring to bring about?

Are we training the people who actually can do the work to carry through the training that filters around from the university courses, and the more highly skilled professional training that is given?

Mr. GREEN: The governments of the countries to which assistance is given make the decision as to what type of training they wish given to their young people; and Canada, of course, is only too glad to co-operate. But it is not a case of our saying that they must send young people to take university courses: they decide this themselves.

Mr. FLEMING (*Okanagan-Revelstoke*): I realize that they do make the decision: but are some of these countries who are developing their economies indeed sufficiently conscious of this fact? Are they adequately conscious of the fact? Do you feel that the success of these programs will ultimately depend on the skills of the people who must carry them through; that their own people are trained in the skilled trades and the highly technical jobs that the work force must be capable of in a modern industrial economy, where they are trying to develop such programs?

Mr. GREEN: The one thing these leaders are conscious of is what they think should be done to improve their own countries. They are not often asking for suggestions from us as to how we think they should develop their countries: they have their own views and we try to fall in with those views, provided they make sense.

Mr. FLEMING (*Okanagan-Revelstoke*): Is there much in the way of requests for this type of training at the present time?

Mr. GREEN: If you care to turn to page 10 there is a chart attached, *Canada's Economic Aid Programs Part II*—

An hon. MEMBER: I do not think we have that, Mr. Minister.

Mr. GREEN: I have a paper here entitled, *Canada's Economic Aid Programs, Part II, Statistical Summaries*. Apparently that has not been distributed to the members of the committee. We will provide a copy of that for each member.

It shows the fields of study in one of the charts.

The CHAIRMAN: Mr. Stinson.

Mr. HELLYER: If I might just come back to this business of propaganda, Mr. Chairman. I realize it is a poor name because it has an unfortunate context and association.

I think the real point is that some expenditures and some efforts in the field of foreign assistance yield far more effect per dollar spent than others: I do not think the minister would argue with that proposition. For instance, does the minister not agree that money spent by Canada to train young people from other countries in this country in all fields of modern technology has, perhaps, a more important and more effective result, for the money spent, than some other lines of endeavour?

This is something that the Russians, for example, have been doing for years and, as the minister well knows, far in advance of our western countries. They have been taking people in, training them, and sending them back as emissaries to different countries of the world. It is in respect of this type of strategic assistance where I think the western world has flagged in the past. I am glad to see that we are making some additional effort and I hope the program will be considerably accelerated in the years ahead.

Mr. GREEN: We do not plan to bring these young people to Canada in order to train them and send them back as political emissaries. That is one difference in the approach of the Soviet and of Canada.

Mr. HELLYER: I do not differ with the minister there at all, as political emissaries but we hope that when they go back to their own countries they will have some parts of our society and system which are worthy of recommendation.

Mr. GREEN: That will depend almost entirely on how well they are treated while they are here.

Some hon. MEMBERS: Hear, hear!

Mr. MACLELLAN: With regard to the statement which Mr. Hellyer made that there are more people being trained by the communists than the western nations, I wonder if that is true. Have you any figures to show how many people from under-developed nations are being trained by the Russians?

Mr. GREEN: We do not have the figures showing how many the Soviet is taking in.

Mr. PEARSON: A lot of Chinese.

Mr. MACLELLAN: I suppose they are communist nations.

Mr. GREEN: We do know of cases where they have taken in students from countries and these students have decided that they would sooner go to a western country, because of this political indoctrination program.

Mr. MACLELLAN: I think, as a matter of fact, that this summer Egypt took their students out of Russia and sent them to nations around the western world.

Mr. GREEN: This attitude was taken by some of the nations whose students are now being sent to us.

Mr. CRESTOHL: Mr. Chairman, we are all aware of the effect of this propaganda. Can the minister tell us what, if anything, the western powers have done to meet what I consider to be effective propaganda by the Russians' recent contribution to Indonesia?

Indonesia was given \$200 million worth, or thereabouts, of aid, and I think it caught the headlines of the world. Are the western powers doing anything to counteract an effective move like that?

Mr. GREEN: The department does not have, at the moment, the figures of what aid has been given to Indonesia by other countries. It has been extensive; and Canada herself is helping Indonesia in quite a number of ways.

Mr. CRESTOHL: I am quite aware of that, Mr. Minister. The point I am trying to make, though, is that Russia capitalized by catching, as I said, the world headlines, and we have not seen anything in the press about the western powers or what Canada has done in that regard.

Mr. GREEN: Premier Khrushchev is a great headline-catcher. He could teach Canadian politicians a great deal on this particular subject. It is pretty tough competition.

Mr. PEARSON: Oh, I don't know.

An hon. MEMBER: For even the member for Essex East.

Mr. CRESTOHL: I think the western powers have ample antidotes and could also catch headlines; but, unfortunately, I have not seen them.

Mr. GREEN: Perhaps we pay more attention to the Soviet headlines than we do to headlines from the western world.

Mr. PEARSON: The minister ought to go to Indonesia to redress the balance.

Mr. CRESTOHL: Mr. Chairman, I ask the minister whether it would be possible for us to have some indication as to what Canada, for example, has done to give assistance to a country like Indonesia. We were recently there and we saw that the country certainly needs assistance.

Mr. MARTIN (*Essex East*): The fact is, Indonesia has not accepted all the aid that we have offered.

Mr. JONES: Judging by the press reports, the visit of Mr. Khrushchev to Indonesia was not a completely happy visit for him. Many of the headlines of which Mr. Crestohl has spoken were very mixed on this subject, and it is apparent that his visit was reviewed with some suspicion by President Sukarno.

Mr. MARTIN (*Essex East*): But he left them with a loan of \$200 million!

Mr. GREEN: The Canadian program of 1959-60 for Indonesia consisted of 21 trainees arriving in Canada—some of them are here in Ottawa, by the way—and three experts went to Indonesia on technical assistance programs; three Otter aircraft were supplied under the Colombo Plan at a cost of \$400,000 to help develop transportation and communications; and \$350,000 worth of wheat or flour has been offered to Indonesia and it is expected that this offer will be taken up shortly.

The CHAIRMAN: I recognized Mr. Stinson some time ago, and there has been considerable discussion since that time. Mr. Stinson.

Mr. STINSON: Mr. Chairman, I am wondering whether the minister could tell us if the government has given any consideration to entering into negotiations which would have the effect of bringing to this country, for study, students from Russia and the China mainland.

I am aware of some of the problems in this connection; security questions and the fact that we might not receive a very friendly or cooperative reaction to proposals of this kind from either of those governments. But I am of the opinion that, notwithstanding the security reasons—and I am saying that they are sometimes over-emphasized these days—great value would come from having students in engineering and medicine and the arts come from these communist countries to this country for lengthy study.

Most of these people—and I saw it in China and talked to many students—have had no experience at all outside their own countries and they have little or no opportunity to know what is going on outside their own countries.

I am wondering whether or not the government has considered the possibility of making an offer to the governments of these countries which would have the result of bringing students from those countries to Canada for study.

Mr. GREEN: This is one of the questions which has been studied by the department under the general heading of east and west relations. There is one scientist at the National Research Council from the Soviet, under reciprocal arrangement; but we have had no requests from either government for exchange of students, apparently; that is, from either Russia or Red China.

Mr. STINSON: My question was, Mr. Minister: should the government consider initiating such a program, instead of waiting for a request to come from either of those governments?

Mr. GREEN: As I have said, it is one of the subjects which is under study at the present time in the department.

Mr. PEARSON: May I ask the minister this question: how would Canada proceed to initiate a program of this kind with the government of Red China?

Mr. GREEN: I guess, in the same way that Red China took part in the Geneva conference while you were minister.

Mr. PEARSON: There is a very great difference: we did not initiate or invite Red China to Geneva. But does the minister really think the government of continental China would agree to send students to a country which did not recognize its existence?

Mr. GREEN: I do not know what could be worked out. I do not know whether it would be possible to arrange for an exchange of students. This is certainly something that is very much worth while considering.

The CHAIRMAN: I am going to recognize Mr. McCleave, and then Miss Aitken.

Mr. McCLEAVE: Thank you, Mr. Chairman. My question concerns the type of people we send abroad to these under-developed countries. Is there any particular policy, or any attempt made to ensure that these Canadians who go abroad are able to speak the language of the country in which they find themselves? We have read the problem as it affects another country in a best seller, "The Ugly American". Apparently the Russians do see that the people they send abroad are able to speak the local language.

Mr. GREEN: The question of the ability of the Canadian to speak the language of the country to which he is going is one very important factor; but in some cases we cannot get a Canadian who can speak such languages.

I think perhaps the Russians have gone much further in this direction than we have.

Miss AITKEN: Mr. Chairman, I am glad to hear that the department is looking into this possibility of bringing, particularly, students here. It seems to me that in a country like Russia, the one field that is hungry for news, instruction and knowledge outside of their own country is the medical profession, which is probably the least political of them all, except for the arts. The student doctors there were the ones who asked the most questions about our training program when I was there.

Mr. MARTIN (*Essex East*): They really are the first ones who should come here.

Miss AITKEN: Yes.

Mr. JONES: Approaching the question of Miss Aitken, Mr. Chairman, I understand that 75 per cent of the medical doctors in Russia are women.

Miss AITKEN: Ninety per cent are children's doctors.

Mr. GREEN: We welcome exchanges of professional men and women, and there is quite a big exchange now between Canada and Russia.

Miss AITKEN: In the student class?

Mr. GREEN: More on the professional basis; more among those who have completed their education.

Mr. REGIER: Are we making any progress towards persuading the communist nations of the world to channel their foreign economic aid through international agencies such as the United Nations?

I believe the Canadian government has repeatedly stated it prefers economic aid being rendered by any nation on a multilateral rather than on a bilateral basis. However, despite this, the communist nations always hesitate to supply aid in that manner.

Have any representations been made by Canada or the western nations to persuade the communist nations to adopt a different attitude from their existing one?

Mr. GREEN: As you know, Mr. Regier, the communists are very reluctant to channel aid through the United Nations, believing it is more to their advantage to give it direct. This is involved with the question of their position in the United Nations, their representation on committees, and all that sort of thing. I do not think it can be settled by representations made by Canada to the communists.

Mr. REGIER: No, but on a number of occasions recently Canada has supported the communist claim for greater equity in international negotiations. For instance, on the disarmament committee Canada has moved towards the idea that communist nations ought to have more representatives here and a few more there, and so on; and I think we have gone a long way toward meeting the Soviet objections on the make-up of international committees.

Has Canada ever asked of the communist nations that they might reciprocate by beginning to participate more in these international committees?

Mr. GREEN: This has been discussed at the United Nations, and the suggestion has been made there. I might point out the disarmament committee was not set up by the United Nations at all. We did help to work out a more balanced composition for the committee on outer space, with the final result the Soviet is participating in the working of that committee.

Mr. REGIER: That is the one I meant.

The CHAIRMAN: Ladies and gentlemen, it is 11 o'clock, and I understand that the estimates committee meets at 11. I was wondering if it was the wish of this committee that we rise now, or do you wish to continue for another half hour?

Mr. MCGEE: Many of us are on the estimates committee.

Mr. KUCHEREPA: We have a meeting of the privileges and elections committee too.

The CHAIRMAN: Is it the wish of the committee we adjourn?

Mr. MCGEE: Agreed.

The CHAIRMAN: Then we shall adjourn until 9.30 tomorrow morning.

Mr. VIVIAN: Mr. Chairman, will you go on with these aid programs tomorrow morning?

The CHAIRMAN: Yes.

HOUSE OF COMMONS

Third Session—Twenty-fourth Parliament

1960

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

FRIDAY, MARCH 11, 1960



ESTIMATES 1960-61 OF THE DEPARTMENT OF
EXTERNAL AFFAIRS

Statement by The Honourable Howard C. Green, Secretary of State for
External Affairs

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1960

STANDING COMMITTEE ON EXTERNAL AFFAIRS

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and Messrs.

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Batten,
Cardin,
Cathers,
Crestohl,
Eudes,
Fairfield,
Fleming (*Okanagan-
Revelstoke*),
Garland,
Hellyer,

Herridge,
Jones,
Kucherepa,
Lafrenière,
Lennard,
MacLellan,
Macquarrie,
Mandziuk,
Martin (*Essex East*),
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McGee,
Montgomery,

Nesbitt,
Nugent,
Pearson,
Pratt,
Regier,
Richard (*Ottawa East*),
Slogan,
Smith (*Calgary South*),
Stinson,
Valade,
Vivian—35.

Eric H. Jones,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

FRIDAY, March 11, 1960.

(5)

The Standing Committee on External Affairs met at 9.30 o'clock a.m. this day, the Chairman, Mr. H. O. White, presiding.

Members present: Messrs. Cardin, Fairfield, Fleming (*Okanagan-Revelstoke*), Hellyer, Herridge, Jones, MacLellan, Macquarrie, Mandziuk, Martin (*Essex East*), McCleave, McGee, Montgomery, Nesbitt, Nugent, Pearson, Pratt, Regier, Slogan, Smith (*Calgary South*), Vivian and White.—22

In attendance: The Honourable Howard C. Green, Secretary of State for External Affairs; and Messrs. N. A. Robertson, Under-Secretary of State for External Affairs; Ross Campbell, Special Assistant to the Minister; J. H. Cleveland, Head, and D. W. Munro and C. Hardy, American Division; Henry F. Davis, Head, European Division; H. B. Stewart, Head, Finance Division; W. H. Barton, Defence Liaison (1) Division; A. S. McGill and G. F. Bruce, Economic Division (2); and T. C. Hammond, Executive Assistant to the Minister.

The Committee resumed its consideration of the 1960-61 estimates of the Department of External Affairs.

Continuing on Item 75, Departmental Administration, the Minister was further questioned on matters on which he had spoken to the Committee on March 3.

During the questioning of the Minister copies of a document, *Canada's Economic Aid Programmes, Part II, Statistical Summaries*, was distributed to the Committee. It was agreed that the said document be printed as an appendix to this day's proceedings. (*See Appendix "A" to these proceedings.*)

At 10.57 o'clock a.m. the Committee adjourned until 9.30 o'clock a.m. on Wednesday, March 16, 1960.

Eric H. Jones,
Clerk of the Committee.

EVIDENCE

FRIDAY, March 11, 1960.

The CHAIRMAN: Gentlemen, I see we have a quorum. We will commence where we left off yesterday, dealing with the Colombo Plan and other assistance programs.

I wish to announce also that the statistical information that was asked for yesterday will be distributed a little later this morning. It has not arrived just yet, but it will be here soon.

Mr. REGIER: I notice the amount that the government is intending to spend on economic assistance this year is a little higher than last year—I believe by \$2,481,500. That is the increase outside of the other payments under the international assistance programs.

Would the minister be in a position to tell us how much money Canada is expecting to use under the items that are not listed here; namely, those organizations to which we make loans, like the international development bank, the international monetary fund, the international finance corporation, and other like institutions?

Are we going to be handing out, or are we going to be investing a lot of money in the current year in those organizations?

Hon. HOWARD C. GREEN (*Secretary of State for External Affairs*): These payments are made by way of subscription or capital investment; and then, of course, those amounts would be used by the agency to which they have been paid. There is not an annual vote for the amount that is used—by the bank, for example—each year. Canada provides so much: Canada provides a set amount.

If it should be decided Canada should subscribe an additional amount, then, of course, that would have to be covered; but we do not have an annual vote covering the annual amount expended.

Mr. REGIER: Is that listed in the blue book on estimates, under loans, investments, and advances? I do not recall noting any figure in the blue book. I have not it with me at this moment.

Mr. GREEN: This does not appear in the estimates book, but it will be in this table which we can distribute right away.

Mr. REGIER: Are we getting the information as to how much Canada is expecting to be investing in these organizations in the coming year?

Mr. GREEN: You mean, how much is to be advanced this coming year?

Mr. REGIER: Yes.

Mr. GREEN: Appropriations for funds which were paid for example, to the international bank would come under the Department of Finance. They would come under the estimates of the Department of Finance, and not under those of the Department of External Affairs.

I believe there is no intention of putting up any further money for the international bank this year, or for the international finance corporation. If Canada joins the international development association, then there would probably be a payment to that organization.

Mr. REGIER: Under that organization, what is the proposal for the extent of Canadian participation?

Mr. GREEN: The Canadian subscription will be \$37.83 million, of which \$8.7 million will be payable initially, and \$7.3 million in each of the next four years.

Mr. REGIER: In other words then, the amount that we have in our initial publication, the one that we received on the first day here, indicates quite accurately the total, excepting for this one item mentioned by the minister, of \$8 million. In the coming fiscal year we will be spending, roughly, \$65 million on the international assistance program in all its forms?

Mr. GREEN: That is correct.

Mr. REGIER: I wonder if the minister would care to comment on this aspect of it? Since 1953 I have never noted a member of parliament opposing these international assistance programs. I believe the estimates have always gone through the house with the unanimous support of the house.

I think the minister is aware of the fact that the recommendation emanating from the United Nations is that the "have" nations ought to give careful consideration to devoting 1 per cent of their gross national production to this matter.

When we consider that Canadians have never voiced any opposition—at least, there has not been any opposition that has reached the floor of the house—the 1 per cent would mean some \$340 million.

I realize that we may be doing a little beyond what other nations are doing. However, in the light of the knowledge that the people of Canada wholeheartedly endorse and have always wholeheartedly endorsed Canadian aid to the "have-not" nations, has the minister or the government ever really given serious consideration to a very substantial increase?

After all, \$65 million is a long way removed from the aim of the U.N., namely, that we spend 1 per cent. We are spending in the neighbourhood of, possibly, 20 per cent of what we are in effect being asked to spend.

Noting that this has almost unanimous support, would it not be plausible to expect our government to be spending at least to the maximum amount that the Canadian public is willing to support in this regard?

Mr. GREEN: I think that Canada's participation in these funds is very good. In our opinion it is better than that of any other nation. As a matter of fact I heard that on the radio this morning, in a report from Washington on the proceedings of the committee which is meeting there now in respect to the development assistance group. I do not think that Canadians have anything to be ashamed of in the amount of money they are providing for these purposes.

Mr. REGIER: I agree; but would the minister not say also that what we are spending stands out favourably only in relationship to what others are spending?

Mr. GREEN: That is quite a good comparison, I would say.

Mr. REGIER: And that in the light of our ability to spend, the picture is not as golden a one as we get looking at it the other way?

Mr. GREEN: That is a matter of opinion, of course; but I think Canada is doing very well.

Mr. REGIER: Has the minister had or has he ever made an analysis of the benefits to the Canadian economy that emanate from these assistance programs? I know of a large number of occasions when the prairie grain growers have been aided by means of these programs. Have the government ever given consideration to the possibility of aiding other regions of the Canadian economy by greatly increasing our contributions?

Mr. GREEN: I doubt very much whether many Canadians would think it a blessing if their taxes were raised in order to bring up these payments from \$65 million odd to \$340,000,000, as the hon. member has suggested.

Mr. REGIER: I was not necessarily saying that we should raise them from \$65,000,000 to \$340,000,000 in the coming year ahead; but I was hoping that we might see an increase, let us say, doubling that amount as an initial move.

Now, as to another matter: what is Canada doing to aid refugees in Hong Kong?

The CHAIRMAN: While the minister is getting the information—

Mr. MARTIN (*Essex East*): Would it not be better if we should continue, because that is solely for the Colombo foreign aid plan, and I think some of us have questions on it?

The CHAIRMAN: While the minister is preparing his statement—is it the wish of the committee that we should include this statistical summary, which we have distributed this morning, in today's report as an appendix?

Agreed.

(*See Appendix A*).

The CHAIRMAN: Now, Mr. Green?

Mr. GREEN: Canada makes contributions under what is known as the Far Eastern Program on European Migration.

We contributed \$50,000 to this operation in each of the years 1954 and 1955 and then discontinued contributions temporarily because the Chinese Communist regime refused for approximately two years to issue exit visas to the refugees. In late 1957 the flow of refugees started again and in 1959 Canada made a further contribution of \$60,000 to be applied to the 1958 program. Subject to parliamentary approval a further contribution of \$60,000, provided for in the 1960-61 estimates, will be made to the 1959 program.

Mr. REGIER: This is to aid those refugees who are now living on the mainland?

Mr. GREEN: That is right.

Mr. REGIER: Well then, who looks after the refugees in Hong Kong itself? I understand there are over a million of them there.

Mr. GREEN: That is the responsibility of the British government.

Mr. MARTIN (*Essex East*): Do not some of them come under the I.R.O.—I mean rather the organization at Geneva?

Mr. GREEN: The program I have mentioned has to do with white Russian refugees from the mainland of China, and it comes under the high commissioner for refugees in Geneva.

When you dealt with those in Hong Kong, I was referring to the Chinese in Hong Kong.

Mr. REGIER: In other words, Canada is not making any contribution at all to the Chinese refugees who are living in Hong Kong?

Mr. GREEN: That is right.

Mr. REGIER: While the minister indicated that our record in so far as economic assistance is concerned is excellent indeed in comparison to other nations, would the minister not agree that in the matter of refugees our assistance, compared to that rendered by the United Kingdom, is a pretty weak one?

Mr. GREEN: No. I think our assistance is as good as or better than that of any other country.

Mr. REGIER: Has the government of British Columbia actually made a proposal to the federal government that it believes we ought to have a plan

whereby we admit 1,000 of those refugees per refugee year, rather than only 100? I have reference to those who otherwise would not be admitted.

Mr. GREEN: When the Canadian government decided to initiate a plan to bring in 100 tubercular refugees and their families, there were letters written to each of the provincial premiers asking for their cooperation.

The letter to the premier of British Columbia went unanswered for many months, until I made a statement before the Vancouver board of trade early in January of this year, when I pointed out that our own province of British Columbia had done nothing whatever to help out in this tubercular refugee program.

As a result of that the premier of British Columbia wrote to Ottawa acknowledging the letter he had received many months before. He said that our plan was just piffling, and that we should call together a dominion-provincial conference to discuss this whole question of refugees.

I do not know what figures were put in his letter. No doubt they were very high. But this was more or less of an alibi in answer to the criticism which had been made against the British Columbia provincial government for not taking any part whatsoever.

Mr. REGIER: The premier of British Columbia made reference to this matter again last week and indicated that British Columbia had been asked to assume responsibility for eight of the families.

Mr. GREEN: British Columbia was not asked for any number. It was asked whether it would participate. And the provincial government did not even bother to answer the letter.

Mr. REGIER: Last week the premier of British Columbia indicated in the press that the program should have been much more extensive at least ten times as extensive as it was. I wonder if in the letter which the minister received from the premier of British Columbia, the government of British Columbia made any offer of what it would be prepared to do if the federal government would broaden the program?

Mr. GREEN: The letter was written to the Prime Minister, and not to myself. It was the Prime Minister who sent out the original letters. I do not remember whether it made any definite offer to help.

Mr. FLEMING (*Okanagan-Revelstoke*): In fact they have given no practical assistance.

Mr. GREEN: No tubercular refugees have gone to British Columbia because the British Columbia provincial government did not cooperate.

Mr. FAIRFIELD: I do not know if this is in point, but when does the government expect to have the two ships that are part of the allocation to the West Indies, completed? I mean the \$6 million assistance?

Mr. GREEN: It is expected these ships will be completed next spring.

Mr. FAIRFIELD: Next year. Are there talks going on at present with the government of the West Indies Federation in the area of free trade in respect of a trade agreement with the British West Indies Federation?

Mr. GREEN: No.

Mr. FAIRFIELD: Does the minister feel this is a particularly vital area in the Caribbean at the present time, in so far as communism seems to have a certain amount of sway in Cuba? Because of the proximity of the British West Indies Federation to it, talks with the Federation might be of a great deal of importance.

Mr. GREEN: Our relations with the West Indies Federation are extremely friendly. We have a commissioner there and we are helping them in other ways besides providing these two ships. I do not think the relationship could

be any closer than it is. The Prime Minister, Sir Grantley Adams, was here in Ottawa last fall and we have had other ministers from the federation visit Canada. Of course we are always very much interested in the developments in the West Indies and will certainly do all we can to help them. Also we are on friendly terms with Cuba by the way.

Mr. FAIRFIELD: But other than those two ships is the total assistance to the West Indies as stated here correct? It is shown here as \$88,639 for the fiscal year?

Mr. GREEN: The total appropriation is \$10 million over a five year plan.

Mr. FAIRFIELD: \$6 million is allocated to these two ships. I see the figure here for 1959-60 is \$88 thousand and last year \$74 thousand.

Mr. McCLEAVE: That is technical assistance. It is one part.

Mr. FAIRFIELD: I want to know what is the total assistance. I see this is technical assistance.

Mr. GREEN: To what page are you referring?

Mr. FAIRFIELD: Table G. It says assistance program. It does not say technical assistance.

Mr. GREEN: The program of course is just nicely getting under way. We expect this year there will be many more trainees coming to Canada than there were in the fiscal year 1959-60 so the figure will be higher than the \$88,639.65 for technical assistance spent during the present fiscal year.

Mr. FAIRFIELD: There is no other assistance, other than technical?

Mr. GREEN: In addition to the capital assistance by way of ships there will be other projects which are still under discussion with the West Indies.

Mr. FAIRFIELD: Might I ask one more question? Have there ever been any negotiations with the British West Indies in respect of a common market?

Mr. GREEN: No.

Mr. PEARSON: Mr. Chairman, I would like to get back for a moment to the Colombo plan and ask the minister if he has any comment to make on a very interesting statement by his colleague, the acting Secretary of State, which statement was made in Montreal a couple of days ago. It is reported he said that Canada's \$281 million share in the Colombo plan during the past ten years has done more toward establishing world peace than the billions spent on national and international defence. This is a very interesting statement.

Mr. GREEN: I think that is a matter of opinion, and I would not care to comment on it.

Mr. PEARSON: Then in the same address the acting Secretary of State pointed out that while we have spent \$281 million in the ten years, the 22 Colombo nations contributed in total \$5,600 million. Is that the correct figure for the contribution to the Colombo plan?

Mr. GREEN: That includes all the United States aid to South and south-east Asia.

Mr. PEARSON: I think that probably is true and therefore it does not give the right comparison.

The minister himself speaking on the Colombo plan on February 16 in the house said he thought we had done more than any other country in this regard, and then the minister went on to say "I do not suggest for a moment we have done enough. We will be looking for ways to do more." Could the minister tell us what he had in mind in respect of additions to the Colombo plan?

Mr. GREEN: As you know, Mr. Pearson, all these plans are worked out in cooperation with the governments to which the aid goes. What I meant was

that if there should be an opportunity to help in a useful way we would take advantage of that opportunity. As a matter of fact we are very much interested at the moment in ways of helping countries in Africa. That I think will be a very big and very important new field.

Mr. PEARSON: That is what I had hoped perhaps the minister might have had in mind. There is a great field for international economic assistance in Africa at the present time. A great deal of thought seems to be given by various governments to the development of an African Colombo plan or African Marshall plan. I take it from what the minister said that the government is very interested in it.

Mr. GREEN: Yes. I had a long discussion yesterday afternoon with Mr. Nyerere the national leader of Tanganyika. I think there is a very important field here in which Canada can give much assistance.

Mr. MCGEE: In view of the delicate situation of British Columbia I did not quite understand the government's announcement of the extended assistance to tubercular refugees. Following that announcement was there then any offer from the province of British Columbia to assist in that further extension?

Mr. GREEN: So far as I know the only offer was this general letter from the premier of British Columbia which I explained a few moments ago to Mr. Regier.

Mr. JONES: At this conference last June in London there was a great deal of discussion on the desirability of establishing an international development association to assist in the flow of private capital to underdeveloped countries, and the government's participation in various ways. Since that time the idea has been approved in principle by both the British and American governments, and also by the Secretary of State for External Affairs for Canada. They have indicated general approval of the principle.

I wonder if the minister could bring us up to date as to the present position of the plans.

Mr. GREEN: Articles of agreement on the international development association have been drafted by the executive directors of the international bank and they were submitted to members of the bank on February 1 for consideration. That consideration has not yet been completed in Canada.

Mr. HERRIDGE: In relation to this commonwealth assistance program there is an item in the estimates of half a million dollars. It seems a pretty microscopic amount when I note you are still going to spend \$2,100,000 on behalf of Hungarian refugees this year and other commonwealth assistance. Would the minister explain what that half a million dollars is, for commonwealth assistance?

Mr. GREEN: It is designed for technical assistance to the commonwealth countries in Africa, although I do not think the vote is actually limited to Africa. Here again there is just a beginning. Evidently it takes time for requests to come in for this assistance. I do not know whether or not that can be described as red tape. In any event, we are running into that problem. This program is just being put on the rails. I would imagine that if it proves successful it will be expanded.

Mr. HERRIDGE: Is the minister finished with that question?

Mr. GREEN: I now have some detailed information. Channels of communication have been established directly with those dependent territories of the commonwealth, in which Canada is represented, and through the colonial office in London in respect of the others. These territories have been informed of the facilities available in Canada for training of their nationals and of the fields in which Canadian experts can be provided to them.

Requests for specific projects are now being received in some numbers. The Canadian program in Ghana is well under way, having had a year's start. During 1959 there were 18 Ghanians who received training in Canada and seven Canadian experts were sent to Ghana. Nigeria and Hong Kong each sent one trainee to Canada.

Mr. HERRIDGE: I have one further question; it is in connection with the commonwealth scholarship plan. Our group support this, and we think it is an excellent plan. I notice in the British house it is provided by legislation. They passed a bill providing commonwealth scholarship programs and established a commission. They had a debate, in all its stages, which is reported in the United Kingdom *Hansard*. I thought it was done in a very constructive way, and done in such a way that it is obvious from their point of view that it is going to be a long-term continuing program, and an expanding one. Could you explain why, in our case, at this stage we seem to rely on an estimate, which is rather a fragile thing with the change of governments?

Mr. GREEN: This program is just being started as well and I have no doubt there will be quite a few bugs to iron out in it before it reaches complete efficiency. Maybe eventually there will have to be a different way of doing this, perhaps by legislation; but for the time being the need is met by the vote. This does not mean that we are any less serious than the British in our support of the plan. As a matter of fact, the whole plan was not proposed by the British at all; it was a Canadian initiative put forward by my predecessor, the Honourable Sydney Smith. Canada is committed, and the honourable member knows that we have agreed to provide one-quarter of the total number of scholarships—250 out of a total of 1,000. This year there will only be from 120 to 125 students coming to Canada because the course is a two-year course and we could not start out with the full 250.

You can rest assured that the fact the British are passing legislation about it does not mean that they are any keener on this plan than Canada.

Mr. HERRIDGE: I find through personal contact with fellow Canadians, and by way of correspondence, that the feeling is that we should not just provide the money and train these students but that the department, through its public relations officer, should expand the order of what is being done. This would do much to strengthen the commonwealth.

Mr. GREEN: Well, we want to advertise the work the department is doing—at least, most of the time, anyway.

The CHAIRMAN: I would appreciate the cooperation of the various members of the committee. There are three members who have indicated their wish to say a word. They are Doctor Vivian, Mr. Macquarrie and Mr. Cardin.

Mr. VIVIAN: I have a question in connection with vote 88, which was previously mentioned—technical assistance to commonwealth countries and territories other than those eligible for assistance under the Colombo plan or West Indies assistance program.

I would like to ask the minister whether any consideration has been given to expanding the area under which our students of one kind or another might come—and this relates essentially to technical and artisan training. Along with others, I was impressed with this group that came up from the United Nations under Carl Major Wright, who has been conducting a school of administration there. Among them were students from Ethiopia, Liberia, Italian Somaliland, Tunisia and so on, which lent a very international flavour to it.

I would like to ask the minister whether any consideration has been given to opening the door wider so as to include some of the other countries, notably Ethiopia and other French-speaking countries.

Mr. GREEN: Canada has taken 515 persons under the United Nations and special agencies plans; it is not restricted to commonwealth trainees.

Mr. VIVIAN: That is in connection with vote 88?

Mr. GREEN: This was the figure up to the end of 1959. We have trainees in Canada today from other than commonwealth countries.

Mr. VIVIAN: Could I go on to another question in relation to vote 87—West Indies assistance program? We have in table G, in part II, statistical summaries, the spending of last year, which is partly technical assistance with regard to trainees, and partly capital in the form of ship construction. The estimate for the coming year is \$1,826,500.

Is it possible for the minister to indicate whether it is simply more money for the same things, or has there been any request from the West Indies government—and I am thinking here particularly of Jamaica—for assistance towards the enlargement of the British West Indies?

Mr. GREEN: We have been asked to assist the university college of the West Indies. That is under consideration at the present time.

Mr. VIVIAN: Thank you, sir.

Mr. MACQUARRIE: Mr. Chairman, I am interested in table H, the vote for Nigeria, and I would be interested in an interpretation of that. I cannot find anything here.

Following that through, I am wondering if we have any special thoughts with respect to special assistance in cooperation with this great, new emergent state of Nigeria in which we are very interested.

Mr. MCGEE: Mr. Chairman, may I interject a suggestion here. When tables like these are issued, it might be useful to number the pages.

Mr. GREEN: We are getting increased requests from Nigeria, and there will be a Canadian commissioner going there next month to establish a mission. I am confident that there will be a much greater increase once our mission is operating there.

Mr. MACQUARRIE: I presume this expenditure is an indication of some preliminary program—it is the first move?

Mr. GREEN: There has only been one trainee here during this present fiscal year.

Mr. CARDIN: Mr. Chairman, I was under the impression that Canada's loan to the United Nations for the clearance of the Suez Canal was a short-term loan. I am referring to the \$1 million loan to the United Nations. I was wondering whether there had been any consideration given by the United Nations to repayment of this loan, or whether it will eventually become another contribution to the United Nations.

Mr. GREEN: Nearly half of that has already been repaid. The balance due is now \$558,101.67.

Mr. CARDIN: I think that is not reflected in table A.

Mr. GREEN: It is likely that the whole amount loaned will be repaid within the period envisaged by the secretary general, which was three years after the inception by the United Nations of what is known as the surcharge plan, which was adopted in 1958.

Mr. JONES: Mr. Chairman, I am wondering if the Secretary of State is in a position at this time to expand on the announcement that the Minister of Finance made shortly after parliament came into session, with regard to seeing if it was feasible to adapt OEEC into a broader organization that would include Canada and the United States as active participants. I understand there was a working group selected to prepare preliminary opinions on this. Is there anything further that can be reported on that at this time?

Mr. GREEN: You mean the negotiations that were held in Paris a few weeks ago?

Mr. JONES: Yes; and there was a working group established subsequent to that.

Mr. GREEN: No, that work is still under way. I am not in a position to make a report on it today.

Mr. JONES: Is there any indication as to when there may be something further to report on that?

Mr. GREEN: I think, very shortly. There is to be a meeting in Paris on or about April 21, when the 20 nations involved will be receiving a report from the four men who were appointed to make recommendations.

Mr. MARTIN (*Essex East*): Mr. Chairman, I presume that we are still on international aid. There have been several other questions, but I presume we are still on that subject.

I believe that the meetings in Washington that have taken place this week concluded yesterday, did they not?

Mr. GREEN: Yes.

Mr. MARTIN (*Essex East*): Would the minister care to give an indication—

Mr. GREEN: Well, they are ending today.

Mr. MARTIN (*Essex East*): Oh, they are ending today. I thought I saw something about this in the press last night. Is there anything that the minister would want to say as to the position of the Canadian government at those meetings? What is the basic purpose of the conference?

Mr. GREEN: You mean the meeting of the eight nations?

Mr. MARTIN (*Essex East*): Yes.

Mr. GREEN: The purpose is to discuss the question of aid to less-developed nations; but I would not be in a position to report on that until our representatives are back and we have had a chance to review what went on.

Mr. PEARSON: Could the minister tell us what the eight nations are? I should know, but I have forgotten for the moment.

Mr. GREEN: Evidently the eight have now become nine: the United Kingdom, the United States, France, West Germany, Italy, Belgium, Portugal, Japan and Canada.

Mr. MARTIN (*Essex East*): May I ask the minister if perhaps we could have next week—

Mr. GREEN: Eight, plus Japan, is the proper way to describe that.

Mr. MARTIN (*Essex East*): Perhaps next week we could have a more detailed statement as to that conference. When the secretary general returned from Africa the other day he made a statement—I do not know whether or not it has been directed to the minister's attention—in which he spoke of foreign aid and the need for it in that area, as well as in other areas in the world, and he said that perhaps some nations would now be prepared to give consideration to channelling their assistance through the United Nations, not through regional organizations, and not on a bilateral basis.

As the minister so well knows, at the present time the assistance given the Colombo Plan countries by Canada and other donor countries is as a result of negotiations with the potential recipient.

Has the minister given any thought to the desirability of channelling this kind of assistance through a larger collective body, thereby avoiding the charge that was suggested in the questions yesterday, that sometimes strings are attached to assistance?

I know the minister takes the position, of course, there are no strings attached to our assistance; and with that I fully agree.

Mr. GREEN: I do not think that Mr. Hammarskjöld had in mind that the Colombo Plan should be channelled through the United Nations; and, certainly,

it is not the thinking of the Canadian government that that should be done. He was dealing more particularly with aid to Africa. Canada, generally speaking, has been in favour of programs administered through the United Nations. As you know, one of the reasons this has been difficult is because of the attitude of the communist states, and particularly that of the Soviet Union which prefers to make its arrangements direct.

We have this whole question always under consideration, but I do not know just what would be worked out with regard to countries in Africa. As you know, we have taken the step of providing help ourselves to Commonwealth countries in Africa; and, certainly, we would be very much interested in continuing aid of that kind, at the same time maintaining an interest in any United Nations proposal.

Mr. MARTIN (*Essex East*): When the minister was talking about assistance to West Indies countries, a few moments ago, he referred to our friendship with these countries in the Caribbean, and then he added the interesting observation that Canada enjoyed friendly relations with Cuba. In view of the disturbances there and the differences between one of Canada's closest neighbours and Cuba, is there anything that the minister feels Canada could do in that particular situation?

Mr. GREEN: I do not know there is anything we could do at the moment, Mr. Martin, but, as I said, our relations with Cuba are very friendly.

Mr. MARTIN (*Essex East*): This is one case where the minister might break the rule and become an "honest broker".

Mr. GREEN: I thought perhaps you would come up with that suggestion.

Mr. PEARSON: If you are going to break that rule, I would suggest you find a little easier situation in which to break it.

Mr. JONES: We should not have that display of lack of unanimity from the Liberal ranks.

The CHAIRMAN: Shall we go on to the next item, atomic radiation?

Mr. McCLEAVE: I know any aid we give to Latin American countries is given under the multilateral umbrella of the United Nations rather than by any bilateral approach. This leads me to the question as to whether we are going to fill that vacant chair in the organization of the American states.

Mr. GREEN: I have been very much interested in Canada's relations with the Latin American countries. They are particularly friendly with us, and I think we can do a great deal more than we have done to further that friendship, with mutual benefit all round.

There has been a series of visits, either held or planned, which have helped a great deal. For example, the president and the foreign minister of Mexico were here last fall, and had a very friendly visit. The foreign minister of Venezuela was also here last fall. The foreign minister of Brazil and his wife are coming next week. Our own Prime Minister is going to Mexico in April, and I hope to go to the Argentine, Chile and Peru in May.

Mr. PEARSON: Cuba?

Mr. GREEN: No, not at the moment. We will send you down there, Mike.

Mr. PEARSON: I would love to go. Send me down for the opening of the ball season—a harmless occasion.

Mr. GREEN: I think the Canadian people do not realize the importance of Latin America in the world today. Twenty of the 82 members of the United Nations come from Latin America. They play a very active and influential part in that organization. The president this year is Dr. Belaunde of Peru; and several other distinguished Latin Americans have served as president of the United Nations. I think there is a pretty big field here for

an increase in Canadian activity. I would like to see an exchange of students, for example, between the Latin American nations and Canada. This, I think, would be most beneficial.

Mr. MARTIN (*Essex East*): But you would not be prepared to recommend that Canada should join the pan-American union, would you?

Mr. GREEN: I am in the position of reviewing the whole situation and weighing the pros and cons, and hope to have a better idea after I have visited some of these countries. They place great emphasis on the organization of American states, and in some cases find it hard to understand why Canada is not a member. We are already members of certain subsidiary organizations such as the union of American states, the pan-American radio office; the inter-American statistical institute; and we are hoping to become members shortly of the pan-American institute on geography and history.

In addition to that, in recent years we have sent observers on different occasions to the economic council for Latin America, which is a regional organization of the United Nations, and to the pan-American health organization, which is a regional body of the world health organization.

But in any event our policy is to strengthen relations between Canada and the different Latin American countries; we have 11 missions in Latin America at the present time.

Mr. PEARSON: May I refer the minister to a statement he made in the house when he said that in his opinion there are 20 republics in Latin America imbued with the love of freedom. I think there are 21 republics, so can he tell us which republic is not imbued with the love of freedom?

Mr. GREEN: My department tells me that there are only 20. I do not know whether they are right or you are right. I think the 21st member is the United States, and you will have to judge that for yourself.

Mr. PEARSON: Would the minister then feel that all Latin America, without exception, is presently imbued with the love of freedom?

Mr. GREEN: I include the United States as the 21st.

Mr. MARTIN (*Essex East*): Has any consideration been given by Canada in regard to its relations with South America? The attitude of the minister is very noble, I think we will all agree, in regard to the kind of thing which is met by the president on his tour, that is, requests for assistance to many countries which are in the category of underdeveloped countries?

Mr. GREEN: What is the question, please?

Mr. MARTIN (*Essex East*): Has consideration been given to expanding Canada's concern towards countries other than Asian countries by way of assistance?

Mr. GREEN: No, not any further than I have already indicated this morning.

Mr. MARTIN (*Essex East*): The American government of course was—or is. You are crowding me at the end of a week of parliamentary fatigue.

Mr. REGIER: Would the minister elaborate a little bit on the item he calls NATO mutual aid? I notice he proposes to spend \$40 million on military assistance, and \$14.8 million on infrastructure and NATO budgets. Which of the NATO nations would be receiving military assistance?

Mr. GREEN: That has nothing to do with the external affairs department. It comes under the department of national defence.

Mr. McCLEAVE: May I follow up with a further question concerning Latin America relationship? I do not believe at the moment there are any Latin America institutes in Canada. It might be helpful if the department could assist any university. I understand that one university, the University of King's College, is considering the establishment of a Latin America institute.

Does the department get into that field of assistance to universities who plan these institutes which would of course be of tremendous help to the department itself?

Mr. GREEN: I had an interview with the Rev. Canon Puxley, the principal of the University of King's College, two or three weeks ago. We are very much interested in his proposal to establish a Latin America institute at the University of King's College and we would be glad to give whatever assistance possible. I do not know if that would mean putting up any funds at the present time, but we think he is working in the right direction, and we would help him all we can.

Mr. MCGEE: Does the department discuss this business of languages? Mr. McCleave brought up the question yesterday concerning foreign service officers being able to speak the language of the country to which they are sent.

What is the system—or is there any system of assistance to employees of the department, such as attending at Carleton college here or some other college, to further their language knowledge?

Mr. GREEN: There is what is known as a language training allowance which is available to foreign service officers who undertake to learn a language; and once they have learned that language, they receive an allowance for having that capacity.

Mr. MACQUARRIE: I am wondering about our relationship with the organization of American states. Is it likely that Canada will be invited, and if so, is it likely that Canada will send observers to the coming inter-American conference to be held at Quito, the big plenary meeting of the organization?

Mr. GREEN: That meeting was to have been held this spring, but it has now been deferred until next year, so no decision has been made as yet as to what Canada will do.

Mr. NUGENT: When you say that no decision has been made, do you mean that no decision has been made by them to invite Canada, or that no decision has been made by Canada with respect to attending? Would we have been there if it had not been deferred?

Mr. GREEN: I do not know if there was an official invitation. These invitations are arranged, as you know; but I think there was certainly a suggestion that Canada should attend at least as an observer.

The CHAIRMAN: Are there any other questions along this line?

Mr. MARTIN (*Essex East*): I have something further on the question of foreign aid. It will be remembered that in 1958 President Eisenhower suggested assistance to Middle East countries. I am asking this just to find out what is the position so far as the Canadian government is concerned. He offered on behalf of his country assistance to the countries of the Middle East, suggested that the Arab league might be the distributing agency, that the Arab countries themselves might determine what assistance should be sought and that they should administer whatever assistance was given. What is the attitude of the Canadian government toward that kind of a proposal?

Mr. GREEN: At that time I understand the proposal was that the Middle East countries themselves should set up a Middle East development association.

Mr. MARTIN (*Essex East*): Yes.

Mr. GREEN: That has never been done, so the whole project has fallen by the wayside.

Mr. MARTIN (*Essex East*): I had understood there was already an organization in being and that some countries, including Saudi Arabia, had already made contributions to it.

Mr. GREEN: Apparently it is not at all what was envisaged. There is an organization to which some of the middle-eastern countries belong, but it is not a general organization such as had been expected.

Mr. MARTIN (*Essex East*): Would the minister care to say anything about the tragic problem of the Palestine refugees, settlement of which seems to be no more apparent now? This is the year in which consideration should be given to this problem, because of the possible conclusion of UNRWA's activities. This is a problem which I know is a very difficult one, but if it could in any way be ameliorated conditions in the Middle East would undoubtedly on that account improve greatly. Could the minister say whether or not the Canadian government has any thoughts in respect of improving that situation?

Mr. GREEN: A great deal of thought was given this question at the last session of the United Nations, and without very much success. As you have said it is an exceedingly difficult problem. Finally, we decided to continue our payments to UNRWA, but at the moment I do not see any long range solution in sight.

Mr. PEARSON: Could the minister tell us how many refugees there are now in the camps compared with, say, five years ago?

Mr. SMITH (*Calgary South*): The number is increasing.

Mr. GREEN: As of June last year there were 990,181 refugees in these camps.

Mr. MARTIN (*Essex East*): What is the position now in respect of UNRWA?

Mr. GREEN: That figure is an increase. My officials tell me that five years ago there were about 800,000.

Mr. JONES: Has the program been extended?

Mr. GREEN: It has been extended for three years, from the 30th of June 1960, and will be reviewed at the end of two years.

Mr. MARTIN (*Essex East*): Is our contribution about \$200,000?

Mr. GREEN: Our annual contribution is \$500,000. Last year and the year before we also gave a contribution in wheat flour of \$1½ million.

Mr. SMITH (*Calgary South*): Have we reached any conclusion on the future of that so far as the contribution is concerned?

Mr. GREEN: That is under consideration at the present moment.

Mr. SMITH (*Calgary South*): May I ask whether or not there is any report since the United Nations resolution was passed at the last assembly to determine if the allocation of rations has been brought up to date, because it has been acknowledged by the executive director of U.N. that many are receiving rations illegally and that a great many—200,000—children are not on the ration rolls at all?

Mr. GREEN: This is a point which concerned the assembly; and the director, Mr. Davis, indicated in his report this would be the first and most important objective namely to see that this is corrected and that the ration rolls are brought up to date.

Mr. SMITH (*Calgary South*): Has the department any information from UNRWA or Dr. Davis as to whether or not any progress has been made in rectifying this rather regrettable situation?

Mr. GREEN: This question is under study at the present time. It is expected Dr. Davis will be in Ottawa next week and at that time we will be able to go into the whole question thoroughly.

Mr. SMITH (*Calgary South*): After you have had your discussion with Dr. Davis may we then have from you a report of your discussion with him on this point and others?

Mr. GREEN: Yes, we would be glad to give the committee a report.

Mr. McGEE: Mr. Chairman, there is a point which bothers me, and I have heard comments from others who have travelled abroad fairly extensively, who have expressed concern about the follow-up on these most desirable and humanitarian programs. Is there anything within the United Nations organization in the way of an inspection squad, or people who could spot-check the follow-up in connection with these programs in regard to monies being spent in certain areas for certain purposes and, ultimately, not reaching the people for which it is intended? What is being done on this?

Mr. GREEN: Well, there is an elaborate organization under UNRWA, which is set up to provide such inspection. I believe they have an auditor general, and I think every effort is made to see that the different programs are carried out.

Mr. SMITH (*Calgary South*): I wonder when the minister is talking with Dr. Davis if he would obtain information from him on two other aspects. Reports indicate that there has been some attempt to mobilize a part of the million, or slightly under, refugees into some form of armed force, which represents a serious threat to peace in the Middle East. This originates in press statements from Beirut.

Then, you might ask Dr. Davis whether or not he has any hope of receiving contributions toward the upkeep of the agency from those contributing countries who have indicated they are prepared to give support, but have not. Canada is the third largest contributor, and a majority of the contributing countries are in default.

Mr. MARTIN (*Essex East*): Some do not give at all, like the Soviet Union.

Mr. GREEN: We will check on those matters with Dr. Davis, but I would not want the report to go out that the department believes there is any attempt to organize armed forces in these refugee camps. This is news to us.

Mr. SMITH (*Calgary South*): I am only reporting on press statements that some of the Arab countries had indicated a desire to utilize the refugees as part of an armed force. The report can be very easily denied but, if there is any basis to it, it constitutes a real threat.

Mr. REGIER: There were a number of reports in the press to that effect.

Mr. McGEE: Mr. Chairman, I have a matter, which I wanted to raise earlier, concerning UNICEF, the United Nations children's fund. We have all watched with considerable interest the growth of this voluntary organization in Canada, which has worked so effectively among the younger school children. I am wondering if you have any information concerning the contributions this year from that voluntary organization.

Mr. GREEN: At the moment we do not have reports from the voluntary organization but we can obtain them for you.

Mr. McGEE: I do not want to provide too much work for the officials of your department, but would it be possible to give some indication to the committee of the extent of voluntary organizations along these and other lines which are supplementing the work of the department in these fields?

Mr. GREEN: We will do the best we can to get this information before you.

Mr. MARTIN (*Essex East*): Having in mind the questions asked by Mr. Smith—not that it would be difficult or wrong to ask a civil servant questions relating to an international situation—but since Dr. Davis is coming here—and he, I take it, is Mr. Labouisse's successor—and as he is the head of UNRWA, would it not be of interest to ask him to come and tell us about the work of UNRWA?

Mr. GREEN: Personally, I would have no objection to that.

Mr. MARTIN (*Essex East*): You might ask if he has any objection.

Mr. GREEN: I think we would have to leave that to Dr. Davis.

Mr. MARTIN (*Essex East*): I think the information that he could give would be very useful to this committee.

Mr. GREEN: I would be very doubtful that he would feel free to do that.

Mr. MARTIN (*Essex East*): In view of the fact that we are such a loyal supporter of UNRWA, I see no reason why we could not ask him what his problems are.

The CHAIRMAN: We will leave that for the moment, and have the minister ascertain whether Dr. Davis feels free to appear before this committee.

Mr. GREEN: In reply to Mr. McGee I would like to point out that the United Nations association in Canada will be presenting a cheque of over \$200,000 to the director of UNICEF at the United Nations headquarters in New York within the next few days.

This sum was collected by Canadian children last Hallowe'en, and represents a substantial increase over the \$125,000 which was collected at Hallowe'en in 1958.

The CHAIRMAN: Gentlemen, it is about five minutes to eleven and I want to announce that on Wednesday at 9.30 a.m. General McNaughton will appear before the committee. If the questioning of him and his statements are not concluded at that meeting, he will continue on Friday at 9.30 a.m. You will get notice, of course.

Mr. PEARSON: The minister is not going to desert us permanently?

Mr. GREEN: Oh, I would hate to do that.

Mr. MARTIN (*Essex East*): I know; but your reply indicates that you may. I take it that we are not yet through with the minister.

Mr. GREEN: I will be glad to come whenever I can.

Mr. PEARSON: Perhaps the week after next?

Mr. GREEN: I do not know about that.

Mr. REGIER: As an alternative to Mr. Martin's proposal, I wonder whether the minister would give some consideration to this point. If we cannot meet with Dr. Davis—if that is inconvenient for various reasons—because of the widespread interest in what we are doing in regard to Middle East refugees, I wonder if the minister might obtain a report, either based on his discussions with Dr. Davis or on the annual report that I expect the minister receives on UNRWA each year. In that way the committee might have, for its own information, a rather detailed report on the operations of UNRWA in the past year. I think it would be very useful information.

Mr. GREEN: Yes, we will do what we can.

The CHAIRMAN: This meeting stands adjourned.

APPENDIX "A"

CANADA'S ECONOMIC AID PROGRAMS

PART II: STATISTICAL SUMMARIES

TABLE

Canada's Financial Assistance Abroad.....	A
Canadian Colombo Plan:	
Funds Voted by Parliament.....	B
Allocation and Expenditures.....	C
Technical Assistance Expenditures.....	D
Fund Reconciliation.....	E
Capital and Projects.....	F
Canada—West Indies Assistance.....	G
Technical Assistance to Commonwealth Countries.....	H
Statistical Review of Canadian Technical Assistance.....	I
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TABLE A

CANADA'S FINANCIAL ASSISTANCE ABROAD 1945-1961⁽¹⁾

(Millions of Canadian dollars)

1. POST WAR RECONSTRUCTION LOANS 1945-6.....		<u>1,767.15</u>
Of which		
United Kingdom.....	1,185.00	
Other ⁽²⁾	582.15	
2. POST-WAR RELIEF AND RECONSTRUCTION GRANTS 1945-8.....		<u>271.07</u>
Of which		
Civilian relief ⁽³⁾	105.22	
UNRRA.....	154.00	
Post-UNRRA.....	11.85	

	Expenditures		Appropriated Year 1959/60	Main Estimates Year 1960/61	Total To Mar. 31 1961
	To Mar. 31 1958	Year 1958/59			
3. NATO MUTUAL AID.....	<u>1,555.64</u>	<u>70.70</u>	<u>100.00</u>	<u>54.80</u>	<u>1,781.13</u>
Of which					
Military Assistance.....	1,481.60	58.30	68.15	40.00	1,648.05
Infrastructure and NATO Budgets.....	74.04	12.40	21.85	14.80	123.09
Flour for NATO stockpiles.....	—	—	10.00	—	10.00
4. CONTRIBUTIONS TO ECONOMIC AND SPECIAL AID PROGRAMS ⁽⁴⁾	<u>282.68</u>	<u>58.24</u>	<u>79.08</u>	<u>63.06</u>	<u>483.04</u>
Of which					
(a) <i>Bilateral Economic Aid Programs:</i>					
Colombo Plan.....	196.67	35.00	50.00	50.00	331.67
West Indies Assistance Program.....	—	.09	2.68	4.51	7.28
Commonwealth Assistance Program..	—	.03	.50	.50	1.03
Commonwealth Scholarship Plan.....	—	—	—	.50	.50
	<u>196.67</u>	<u>35.12</u>	<u>53.18</u>	<u>55.51</u>	<u>330.48</u>

TABLE A—*Conc.*

	Expenditures		Appropriated Year 1959/60	Main Estimates Year 1960/61	Total To Mar. 31 1961
	To Mar. 31 1958	Year 1958/59			
<i>(b) Multilateral Economic Aid Programs:</i>					
UN Technical Assistance.....	9.04	1.95	1.93	1.90	14.82
UN Special Fund.....	—	—	1.93	1.90	3.83
Internat'l Atomic Energy Agency(°).....	—	.07	—	.05	.12
	9.04	2.02	3.86	3.85	18.80
<i>(c) Special Aid Programs:</i>					
<i>Refugees</i>					
Hungarian Refugees.....	21.60	4.24	3.10	2.10	31.04
IRO (1947-50) and UNHCR (1952-61).....	19.48	.20	.29	.29	20.26
Palestine Refugees (UNRWA).....	5.29	2.00	2.00	.50	9.79
Far Eastern Refugees (ICEM).....	.10	.06	—	.06	.22
	46.47	6.50	5.39	2.95	61.31
<i>Other</i>					
UN Korean Reconstruction Agency..	7.75	—	—	—	7.75
European Flood Relief.....	1.00	—	—	—	1.00
Wheat flour to India/Pak/Ceylon	8.50	13.00	13.50	—	35.00
Miscellaneous Relief (in kind).....	2.57	.95	2.50	—	6.02
UN Children's Fund.....	10.68	.65	.65	.65	12.63
Malaria Eradication (WHO).....	—	—	—	.10	.10
	30.50	14.60	16.65	.75	62.50
5. LOANS AND ADVANCES.....	170.03	18.30	59.53	9.53	257.19
<i>Of which</i>					
Special loans to Colombo Plan Countries for purchase of Canadian wheat flour.....	16.20	18.30	—	—	34.50
To UN for Suez Canal Clearance.....	1.00	—	—	—	1.00
International Finance Corporation.....	3.52	—	—	—	3.52
International Bank (°).....	61.97	—	—	9.53*	71.50
International Monetary Fund (°).....	87.34	—	59.53*	—	146.87
6. TOTAL SECTIONS 3, 4 and 5.....	1,098.35	147.24	238.61	127.39	2,511.56
Grand total (Sections 1 to 5.) to Mar. 31, 1961 — 4,549.78					

* Paid or to be paid under authority of Bretton Woods Agreements Act.

FOOTNOTES TO CANADA'S FINANCIAL ASSISTANCE ABROAD 1945-61

- (1) Including advances to the International Monetary Fund, and excluding Canada's assessed share of the costs of international organizations.
- (2) Loans made under authority of Part II of Export Credits Insurance Act. For details see annual report on operations under Part II of this Act.
- (3) Supplied by Canadian armed forces.
- (4) Following items appear in External Affairs estimates with exception of item for Hungarian Refugees.
- (5) Operational Program.
- (6) Figures exclude: (1) a Canadian guarantee of Can. \$645 million subject to call only if and when required by the International Bank to meet defaults on loans made or guaranteed by it; (2) outstanding non-negotiable non-interest-bearing notes held by the IMF (currently Can. \$378 million). Figures are adjusted to reflect *current* value of Canadian dollar (U.S. \$1 = Can. \$0.9525).

STANDING COMMITTEE

TABLE B

CANADIAN COLOMBO PLAN PROGRAM
FINANCIAL STATEMENT—AS OF 31 DECEMBER, 1959

Funds Voted

FUNDS VOTED BY FISCAL YEARS:.....	\$ 400,000	(1950-51)
	25,400,000	(1951-52)
	25,400,000	(1952-53)
	25,400,000	(1953-54)
	25,400,000	(1954-55)
	26,400,000	(1955-56)
	34,400,000	(1956-57)
	34,400,000	(1957-58)
	35,000,000	(1958-59)
	50,000,000	(1959-60)
Less funds which lapsed during 1950-51 and 1951-52.....	\$282,200,000	
	529,296	
Total.....	\$281,670,704	

TABLE C

COLOMBO PLAN

ALLOCATIONS AND EXPENDITURES—AS AT 31 DECEMBER, 1959

Country	Funds Allocated to Projects	Expenditures to-date	Outstanding Commitments	Total	Balance of Allocations for Completing Approved Projects
CAPITAL PROJECTS					
Burma.....	\$ 1,099,563.29	\$ 802,521.94	\$ 11,040.76	\$ 813,562.70	\$ 286,000.59
Cambodia.....	19,476.47	15,014.50	4,000.00	19,014.50	461.97
Ceylon.....	14,327,417.01	11,929,894.59	585,088.59	12,514,983.18	1,812,433.83
India.....	147,221,034.80	117,545,366.98	5,858,856.21	123,404,223.19	23,816,811.61
Indonesia.....	1,253,123.46	336,809.08	563,992.26	900,801.34	352,322.12
Malaya.....	209,600.00	204,454.64	8.26	204,462.90	5,137.10
Nepal.....	60,000.00	60,000.00	—	60,000.00	—
North-Borneo.....	3,000.00	1,451.39	—	1,451.39	1,548.61
Pakistan.....	84,095,545.22	71,293,266.24	4,970,689.23	76,263,955.47	7,831,589.75
Singapore.....	55,000.00	46,699.64	865.17	47,564.81	7,435.19
Vietnam.....	305,700.00	5,433.79	150.65	5,584.44	300,115.56
Mekong River.....	650,000.00	419,566.00	—	419,566.00	230,434.00
Medical Book Scheme.....	196,000.00	—	115,000.00	115,000.00	81,000.00
Small Projects.....	25,000.00	—	—	—	25,000.00
Total Capital Assistance.....	\$ 249,520,460.25	\$ 202,660,478.79	\$ 12,109,691.13	\$ 214,770,169.92	\$34,750,290.33
TECHNICAL ASSISTANCE					
Expenditures.....	\$ 9,068,850.43*	\$ 7,920,397.74	\$ 1,148,452.69†	\$ 9,068,850.43	\$ —
Bureau Contributions.....	48,807.04	48,807.04	—	48,807.04	—
Total Technical Assistance.....	\$ 9,117,657.47	\$ 7,969,204.78	\$ 1,148,452.69	\$ 9,117,657.47	\$ —
Total Allocations and Expenditures.....	\$ 258,638,117.72	\$ 210,629,683.57	\$ 13,258,143.82	\$ 223,887,827.39	\$34,750,290.33

* This sum includes expenditures up to 31 March 1959 plus an allocation of \$2.5 million to finance the program for 1959/60. The Colombo Plan Bureau contribution, amounting to \$6,300 for 1959/60 is included in the total Bureau contributions of \$48,807.04.

† This figure represents Column No. 1 "ALLOCATIONS" minus Column No. 2 "EXPENDITURES" and is the un-expended balance of the allocation as at 31 December, 1959.

TABLE D
 TECHNICAL ASSISTANCE EXPENDITURES
 BY COUNTRIES AND YEARS—AS OF 31 DEC. 1959.

Country	1950-55	1955-56	1956-57	1957-58	1958-59	1959-60	Total
Brunei.....	—	—	—	—	—	4,682.72	4,682.72
Burma.....	4,377.25	32,487.79	79,710.58	189,512.49	188,842.72	128,080.14	623,010.97
Cambodia.....	20,737.83	15,849.56	14,438.34	25,941.22	36,225.21	43,100.19	156,292.35
Ceylon.....	437,327.91	223,936.87	213,704.07	243,294.07	202,812.44	130,063.65	1,451,139.01
India.....	394,259.55	225,305.29	361,233.52	328,758.45	201,026.08	167,440.83	1,678,023.72
Indonesia.....	64,303.98	148,323.95	215,649.78	163,605.68	240,610.31	226,691.07	1,059,184.77
Japan.....	—	—	—	—	—	2,660.44	2,660.44
Laos.....	—	—	32,239.74	38,291.91	25,611.65	12,790.94	108,934.24
Malaya.....	100,565.90	43,147.03	94,733.66	52,601.84	56,082.24	65,869.82	413,000.49
Nepal.....	—	—	—	—	—	2,738.53	2,738.53
North-Borneo.....	7,155.56	5,658.02	573.04	3,451.04	20,429.19	24,147.24	61,414.09
Pakistan.....	499,370.00	197,171.60	195,479.29	243,445.02	189,257.81	221,594.50	1,546,318.22
Philippines.....	—	—	—	—	5,100.49	65,616.62	70,717.11
Sarawak.....	—	1,671.30	2,746.39	30,057.59	44,141.62	55,342.29	133,959.19
Singapore.....	8,540.56	1,866.58	21,859.30	22,722.44	16,979.61	5,722.71	77,691.20
S. Vietnam.....	4,313.20	1,360.94	138,137.20	37,347.33	108,335.38	125,184.66	414,678.71
Thailand.....	6,387.42	534.01	—	15,615.91	29,893.68	63,520.96	115,951.98
	<u>\$1,547,339.16</u>	<u>\$897,312.94</u>	<u>\$1,370,504.91</u>	<u>\$1,394,644.99</u>	<u>\$1,365,348.43</u>	<u>\$1,345,247.31</u>	<u>\$7,920,397.74</u>
Bureau Contributions.....	21,108.43	5,081.30	6,041.25	5,114.38	5,161.68	6,300.00	48,807.04
	<u>\$1,568,447.59</u>	<u>\$902,394.24</u>	<u>\$1,376,546.16</u>	<u>\$1,399,759.37</u>	<u>\$1,370,510.11</u>	<u>\$1,351,547.31</u>	<u>\$7,969,204.78</u>

TABLE E
RECONCILIATION

(a) Funds voted as per Table B.....	\$281,670,704.00
Allocations to date as per Table C.....	258,638,117.72
Balance available for allocation to new projects now under consideration.....	\$ 23,032,586.28
(b) Funds allocated to projects as per Table C.....	\$258,638,117.72
Expenditures made & contracts outstanding.....	223,887,827.39
Balance of allocations remaining to complete approved projects as per Table C, Column 5.....	\$ 34,750,290.33

TABLE F
CANADIAN COLOMBO PLAN CAPITAL AND PROJECTS
Fiscal Years 1951-52—1959-60 (as at 31 December, 1959)

BURMA

COMPLETED PROJECTS
1951-52 TO 1958-59

Item No.	Project	Allocation	Year	Completion Date
1	Cobalt beam therapy unit, Rangoon Hospital.....	\$ 45,000	55-56	1958
2	Text books for university of Rangoon.....	1,013	55-56	Sept. 1955
3	Equipment for permanent training centre—Rangoon....	19,050	55-56	1956
4	Rangoon Technical High School equipment.....	85,000	56-57	1958
5	Photogrammetric equipment for Burma Survey Department.....	40,000	56-57	1958
6	Workshop equipment—Agricultural development—Central and district Shops.....	40,000	57-58	1958
7	Fisheries equipment.....	2,500	57-58	1958 March
8	Highways survey.....	160,000	58-59	1958
9	Prospecting equipment.....	7,000	57-58	1958
10	Wheat.....	500,000	58-59	1959 October

ACTIVE PROJECTS
1951-52 TO 1958-59

Item No.	Project	Allocation	Year	Status of Project
11	Thaketa Bridge engineering survey, setc.....	\$ 200,000	58-59	First report of preliminary investigation received.

CAMBODIA

COMPLETED PROJECTS
1951-52 TO 1958-59

Item No.	Project	Allocation	Year	Completion Date
12	Mobile veterinary service clinics.....	\$ 13,634	54-55	1955 June

STANDING COMMITTEE

TABLE F—(Cont'd.)

CEYLON

COMPLETED PROJECTS
1951-52 to 1958-59

Item No.	Project	Allocation	Year	Completion Date
13	Flour—counterpart funds for rural road construction . . .	\$ 449,904	53-54	Feb. 1954
14	Flour—counterpart funds for rural road construction and Mutwal Harbour	606,571	54-55	Oct. 1954
15	Flour—counterpart funds for rural road construction; veterinary building, Ceylon University; and trade school	645,000	56-57	April and May 1957
16	Flour—counterpart funds for Institute of Practical Technology—Katubedde	493,416	53-54 55-56	Sept. 1956
17	Flour—counterpart funds for laboratory construction at Ceylon University and Mutwal Harbour	649,949	53-54	May 1955
18	Flour—Fisheries co-operatives schools equipment	180,000	54-55	Dec. 1955
19	Flour	1,000,000	57-58	March 1958
20	Two diesel locomotives	370,023	53-54	Oct. 1954
21	Three diesel locomotives	486,650	54-55	Nov. 1954
22	Three diesel locomotives	555,000	55-56	Oct. 1956
23	Two diesel locomotives	370,000	56-57	1958
24	Portable irrigation units	185,000	53-54	May 1957
25	Pest control equipment	78,137	53-54 55-56 56-57 57-58	July 1958
26	Equipment for University of Ceylon	21,003	53-54	Dec. 1954
27	Railway ties	183,604	54-55	March 1955
28	Colombo harbour equipment	673,000	54-55 55-56 57-58 58-59	July 1958
29	Gal Oya agricultural development scheme	210,000	54-55	March 1957
30	Mobile cinema vans and visual aid equipment	30,000	54-55	Nov. 1955
31	Equipment for junior technical school—Galle	20,000	54-55	Nov. 1955
32	Film strips for technical education	1,958	54-55	March 1955
33	X-ray maintenance equipment	3,015	57-58	February 1958
34	Flour	400,000	58-59	July 1958

TABLE F—(Cont'd.)

CEYLON
ACTIVE PROJECTS
1951-52 to 1958-59

Item No.	Project	Allocation	Year	Present Status of Project
35	Fisheries development.....	\$1,476,708	52-53 53-54 55-56 56-57 58-59	Ceylon is undertaking a large fisheries development program. Canada has supplied boats, refrigeration plant, experimental equipment, trucks and fishing equipment.
36	Gal Oya transmission line.....	1,374,572	52-53 56-57 57-58 58-59	An irrigation and power development project in East Ceylon to which Canada is supplying power distribution lines. This project is allied to Item 29. Original request almost completed. Extension of project now being undertaken to connect with Laxapana Grid.
37	Agricultural station workshop tools and equipment.....	340,000	53-54 56-57	Equipment and tools for 93 district stations' workshops, established by government of Ceylon, have been shipped. Awaiting final details of requirements before completing project.
38	Institute of Practical Technology—Katubedde.....	309,457	53-54 55-56 57-58	Government of Ceylon is building a school of practical technology at Katubedde to which Canada is supplying equipment. All equipment on order has now been shipped; awaiting further details of requirements before completing project.
39	Airport equipment, Ratmalana.....	292,000	54-55 56-57	Government of Ceylon is modernizing international airport at Ratmalana. Canada is supplying telecommunication equipment. All has been shipped except radio link from airport to receiving station.
40	Aerial and ground resources survey.....	1,181,900	55-56 56-57 57-58 58-59	Similar to survey made for Pakistan. Several phases of project completed, other phases continuing according to schedule.
		+ 710,000		

TABLE F—(Cont'd.)

INDIA

COMPLETED PROJECTS
1951-52 to 1958-59

Item No.	Project	Allocation	Year	Completion Date
41	Wheat.....	\$ 10,000,000	51-52	March 1952
42	Wheat.....	5,000,000	52-53	January 1953
43	Wheat..... (see also Item 23)	2,000,000	57-58	December 1957
44	Mayurakshi hydro-electric power development, West Bengal.....	1,311,645	51-52 52-53	November 1956
45	Locomotive boilers for Indian railways.....	1,815,522	52-53	October 1954
46	Steam locomotives for Indian railways.....	21,470,970	53-54 54-55	July 1956
47	UMTRU hydro-electric power development, Assam	1,201,956	53-54	July 1957
48	Diesel electric generating sets.....	3,003,000	54-55	1958
49	Biological control station, Bangalore.....	46,023	54-55 57-58	August 1958
50	Film kits on geology, geophysics and topography...	275	54-55	August 1956
51	Locust control (trucks with 2 way radio control)....	113,792	55-56	March 1956
52	Pest control (two Beaver aircraft).....	160,000	55-56	October 1956
53	Airborne magnetometer survey.....	257,060	55-56 56-57	June 1957
54	Audio visual training aids and equipment for co- operative training centres.....	65,000	57-58	May 1958
55	Cobalt beam therapy units for three hospitals in Chittarantan, Bombay and Ludhiana.....	120,000	57-58	December 1958
56	Cobalt therapy unit source.....	8,000	57-58	December 1958
57	Bombay State transport.....	4,352,775	51-52	July 1954
58	Wheat.....	5,000,000	58-59	December 1957

TABLE F—(Cont'd.)

INDIA

ACTIVE PROJECTS
1951-52 to 1958-59

Item No.	Project	Allocation	Year	Present Status of Project
59	Commodities.....	\$ 5,000,000	53-54	This is to supplement shortage of aluminum and copper in India from sale of which to Indian manufactures the government of India has created counterpart funds to help finance local costs of other Colombo Plan projects as agreed between Canada and India. Shipments continuing.
60	Commodities.....	10,815,000	57-58	
61	Commodities.....	10,500,000	58-59	
62	Canada-India atomic reactor (NRX type).....	8,100,000	55-56 56-57 57-58 58-59	An atomic reactor is being constructed in Bombay for power development, isotope production and other peaceful uses. Overall design and procurement 95 per cent complete. Ready for testing in May 1960.
63	Kundah hydro-electric power development, Madras.....	\$23,500,000	55-56 56-57 57-58	Madras Electricity Board is undertaking a large power development project in the Nilgiri Hills. Canada is contributing electrical generating and related equipment.
64	Railway ties.....	3,000,000	57-58	Creosoted railway ties to assist government of India in the rehabilitation of railways. Canada has already contributed locomotive boilers and steam boilers (see items 45 and 46). Shipments of all ties are now complete.
65	Railway ties.....	2,500,000	58-59	
66	Fertilizers.....	2,500,000	58-59	Required by Indian Department of Agriculture. Shipments now complete.
67	Cobalt beam therapy units for Trivandrum, Vellore and Cuttack hospitals.	120,000	58-59	Units ready for shipment; awaiting availability of housing facilities.
68	Calcutta milk scheme.....	130,000	58-59	Specifications now being determined for milk scheme.
69	Copper.....	250,000	58-59	

TABLE F—(Cont'd.)
INDIA
ACTIVE PROJECTS (Cont'd)

Item No.	Project	Allocation	Year	Present Status of Project
1959-60 PROJECTS				
70	Wheat.....	\$7,000,000		Shipment completed in November, 1959.
71	Metals.....	11,500,000		This is an extension of programs undertaken previously.
72	Raw asbestos.....	120,000		Specifications now being determined.
73	Cobalt beam therapy units.....	130,000		Units ready for shipment; awaiting availability of housing facilities.
74	Canada-India atomic reactor—additional.....	\$700,000	—	
75	Power projects (investigation of three possible new projects)....	750,000	—	Preliminary investigations underway.
76	Diesel locomotives (shunting).....	2,000,000	—	These locomotives required at four Indian ports for shunting purposes Specifications now being determined.
77	Meteorological equipment.....	250,000	—	Tenders have been called. Purpose is to help India establish its link with Northern Hemisphere Communication System.
77A	Fertilizers.....	2,550,000	—	Specifications now being prepared.

TABLE F—(Cont'd.)

INDONESIA

COMPLETED PROJECT
1951-52 to 1958-59

Item No.	Project	Allocation	Year	Completion Date
78	Gresik cement plant library.....	\$ 435	56-57	March 1957
79	Flour.....	500,000	58-59	November 1959
80	Books and journals—Academy of Public Administration —Malang.....	2,000	57-58	1958

INDONESIA

ACTIVE PROJECTS
1951-52 to 1958-59

Item No.	Project	Allocation	Year	Present Status of Project
81	3 Otter aircraft.....	\$400,000	58-59	Shipments to be completed early in 1960.

MALAYA

COMPLETED PROJECTS
1951-52 to 1958-59

Item No.	Project	Allocation	Year	Completion Date
82	Aerial survey.....	\$201,000	56-57	1958
83	Text books—Junior Technical (Trade) School— Kuala Lumpur.....	600	57-58	1957
84	Small tools, Electrical Department Technical Institute, Kuala Lumpur.....	3,000	57-58	September 1957
85	Text books, Technical Institute, Kuala Lumpur....	5,000	57-58	1958

NEPAL

COMPLETED PROJECT
1951-52 to 1958-59

86	Wheat.....	\$60,000	58-59	December 1957
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NORTH BORNEO

COMPLETED PROJECT
1951-52 to 1958-59

Item No.	Project	Allocation	Year	Completion Date
87	Trade school equipment, Jesselton.....	\$3,000	57-58	October 1958

TABLE F—(Cont'd.)

PAKISTAN
COMPLETED PROJECTS
1951-52 to 1958-59

Item No.	Project	Allocation	Year	Completion Date
88	Cement plant, Daudkhel.....	\$6,541,547	51-52 52-53 54-55 56-57	January 1957
89	Railway ties.....	2,770,490	51-52	January 1957
90	Aerial resources survey.....	2,000,000	51-52	Project completed but extended and carried on under Project No. 35
91	Thal experimental farm.....	196,745	51-52	May 1956
92	Wheat.....	5,000,000	52-53	December 1952
93	Wheat.....	2,000,000	57-58	December 1957
94	Beaver aircraft for pest control.....	\$176,807	52-53	October 1953
95	Biological control station—Rawalpindi.....	55,383	54-55 57-58	August 1958
96	Hatching eggs and incubator.....	3,106	54-55	March 1955
97	Two mobile dispensaries.....	11,795	55-56	November 1954
98	Equipment for tractor training school, East Pakistan	18,000	55-56	1956
99	Trucks for locust control.....	80,414	56-57	August 1957
100	Tarnab farm workshop equipment.....	2,400	57-58	May 1958
101	Ganges-Kobadak project.....	1,306,343	54-55	July 1959
102	Wheat.....	4,000,000	58-59	January 1959
103	Wheat.....	3,650,000	59-60	December 1959
104	Aerial resources survey.....	1,292,095	53-54 54-55 56-57 57-58	December 1959
105	Commodities.....	1,000,000	54-55	March 1959

TABLE F—(Cont'd.)

PAKISTAN

ACTIVE PROJECTS
1951-52 to 1958-59

Item No.	Project	Allocation	Year	Present Status of Project
106	Warsak hydro-electric and irrigation project.....	\$ 36,621,762	52-53 53-54 54-55 55-56 56-57 57-58	Design and construction of dam and power house on the Kabul river in North-West Pakistan, also supply of electrical generating and related equipment. Scheduled completion date: September 1960.
107	Shadiwal hydro-electric power development.....	3,507,095	53-54 57-58	This is a power and irrigation scheme north of Lahore. Canada assisting by supplying a power station, dewatering and construction equipment, design and supply of generating and power house equipment. Scheduled completion date: January 1961.
108	Dacca-Chittagong electric distributory link.....	5,606,343	54-55 57-58	Contribution of transmission powers, etc., for wider distribution of power being generated by small power units in East Pakistan. Scheduled completion date: June 1960.
109	Goalpara thermal station (Khulna).....	2,000,000	55-56	This is a 20,000 KW thermal power plant in East Pakistan. Will be completed in February 1960.
110	Bheramara-Kushtia transmission lines (Khulna).....	1,000,000	57-58	A transmission line to distribute power generated by Goalpara Thermal Station being constructed at Khulna (see Item 109). This project will not be commenced until Goalpara is completed.
111	Equipment and materials for sub-critical reactor.....	100,000	57-58	Government of Pakistan wishes to establish a sub-critical reactor for experimental and teaching purposes. Canada has been asked to supply equipment and materials.
112	Karnafuli transmission lines.....	1,100,000	58-59	Contract now in effect to extend transmission lines from Chittagong to Karnafuli.
113	Commodities—copper, aluminum steel and tin plate.....	2,801,000	58-59	
114	Warsak machinery overhaul and spares.....	500,000	58-59	Overhaul and turnover of equipment now underway.
115	Wood-pulp for Khulna newsprint mill.....	650,000	58-59	Shipments to be completed last half 1960.
116	Pesticide spraying equipment.....	120,000	58-59	Tenders have been called.
117	Three Beaver aircraft.....	200,000	58-59	Shipments will be completed by February 1960.
118	Sukkur thermal plant.....	3,629,000	58-59	Preliminary investigations are being completed on these two construction projects.
119	Pre-stressed concrete factory.....			

STANDING COMMITTEE

TABLE F—(Cont'd.)

SINGAPORE

COMPLETED PROJECTS
1951-52 to 1958-59

Item No.	Project	Allocation	Year	Completion Date
120	University of Malaya equipment.....	\$ 5,000	56-57	1958

TABLE F—(Cont'd.)

SINGAPORE

ACTIVE PROJECTS
1951-52 to 1958-59

Item No.	Project	Allocation	Year	Present Status of Project
121	Singapore polytechnic school equipment.....	\$ 50,000	56-57	Government of Singapore is building a new Polytechnic School to which Canada is supplying equipment and machinery for wood-working shop. All equipment at present on order has been shipped.

STANDING COMMITTEE

TABLE F—(Conc.)

SOUTH VIETNAM

COMPLETED PROJECTS
1951-52 to 1958-59

Item No.	Project	Allocation	Year	Completion Date
122	Laboratory equipment, University of Dalat.....	\$ 5,700	57-58	1958

SOUTH VIETNAM

ACTIVE PROJECTS
1951-52 to 1958-59

Item No.	Project	Allocation	Year	Present Status of Project
123	Flour.....	\$ 140,000	58-59	To be shipped with 1959-60 allocation.
124	Butter.....	60,000	58-59	Expect shipments to be made shortly.

INTERNATIONAL

Item No.	Project	Allocation	Year	Present Status of Project
125	Mekong River Aerial Survey.....	\$ 650,000	58-59	Aerial mapping commenced late in 1959.

TABLE G
CANADA-WEST INDIES ASSISTANCE PROGRAM
EXPENDITURES AS AT 31 DECEMBER, 1959

Fiscal Year	1957-58	1958-59	1959-60 to Date	Total to Date
TECHNICAL				
Experts.....	\$ 4,033.77	\$ 66,801.45	\$ 60,302.39	\$ 131,137.61
Trainees.....	—	8,134.60	28,337.26	36,471.86
Total.....	\$ 4,033.77	\$ 74,936.05	\$ 88,639.65	\$ 167,609.47
CAPITAL				
Ships.....	—	\$ 2,359.55	\$ 33,436.65	\$ 35,796.20
Films.....	—	10,000.00	—	10,000.00
Total.....	\$ —	\$ 12,359.55	\$ 33,436.65	\$ 45,796.20
TOTAL EXPENDITURES.....	\$ 4,033.77	\$ 87,295.60	\$ 122,076.30	\$ 213,405.67

TABLE H
 TECHNICAL ASSISTANCE TO COMMONWEALTH COUNTRIES
 (OTHER THAN THOSE COVERED BY THE COLOMBO PLAN AND THE WEST INDIES PROGRAM)

	Ghana			Hong Kong	Nigeria
	1958-59	1959-60 to Date	Total to Date	1959-60 to Date	1959-60 to Date
TECHNICAL					
Experts.....	\$18,529.92	\$27,575.90	\$46,105.82	\$ —	\$ —
Trainees.....	16,252.09	32,974.16	49,226.25	349.35	144.00
Total.....	<u>\$34,782.01</u>	<u>\$60,550.06</u>	<u>\$95,332.07</u>	<u>\$ 349.35</u>	<u>\$ 144.00</u>

TABLE I
Statistical Review of Canadian Technical Assistance—Experts and Trainees

SUMMARY OF TABLE I

Geographical Area	Calendar Years—1950-58											From 1st Jan. 1959, to date												
	Colombo Plan	West Indies	Other Commercial Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	Colombo Plan	West Indies	Other Commercial Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	Grand Total	
North America.....				6		2			2	1	11				2						3	5	16	
Caribbean Area.....		5		34	6	4	1	1	26	2	79		23							15	1	39	118	
South America.....				33	6	7	2		21	3	72						1			11	5	17	89	
Europe.....				45	12	3	2	1	12	3	78				2	3					4	5	14	92
Africa and Middle East.....			3	69	16	24	1	1	27	6	147			19	18	1				38	4	80	227	
South Asia.....	700			75	12	7	3	3	17	10	827	141			7	1				19	1	169	996	
South east Asia.....	320			54	12	3	3	3	133	8	536	147		1	14	3	6		1	71	13	256	792	
Australasia.....				4							4				1							1	5	
	1,020	5	3	320	64	50	12	9	238	33	1,754	288	23	20	44	8	7		1	158	32	581	2,335	

Number of persons trained in Canada through technical co-operation service from 1950 to 31st December, 1959, by geographical area and agency for which training was arranged.

TABLE 1
 NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM
 1950 TO 31 DECEMBER, 1959, BY AGENCY FOR WHICH TRAINING WAS ARRANGED
 AND ARRIVALS AND DEPARTURES EACH YEAR

	Arrivals											Departures										Number in Canada as at December 31, 1959	Comparative Number in Canada as at December 31, 1958
	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	Total	1951	1952	1953	1954	1955	1956	1957	1958	1959	Total		
Colombo Plan.....		59	41	61	83	139	253	202	182	288	1,308	30	45	32	69	89	182	173	210	173	1,003	305	190
West Indies Plan.....									5	23	28								1	9	10	18	4
Other Common- wealth Countries.....									3	20	23									7	7	16	3
United Nations.....	6	31	80	57	32	23	29	31	31	44	364	28	59	71	37	25	31	32	34	29	346	18	3
UNESCO.....			15	14	5	6	6	14	4	8	72		6	15	13	6	4	16	4	7	71	1	
FAO.....			2	6	1	9	6	16	10	7	57		2	6	1	8	5	18	7	7	54	3	3
ICAO.....			3	2		2	2	3			12		1	4			4	2	1		12		
ILO.....				1	1	1	2	2	2	1	10			1	1	1	1	2	3		9	1	
ICA.....				2	6	23	14	61	132	158	396			2	6	23	14	59	119	152	375	21	15
Others*.....					1		1	6	25	32	65				1		1	6	25	27	60	5	
Grand Total.....	6	90	141	143	129	203	313	335	394	581	2,335	58	113	131	128	152	242	308	404	411	1,947	388	218

*IBRD

Canadian—Scandinavian Foundation; Swedish American Foundation; International Atomic Energy Agency; Harvard Law School; Institute of International Education; Puerto Rican Government; Harvard University; Indian Government.

TABLE 2
 NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL Co-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1959,
 BY COUNTRY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

COUNTRY	Calendar Years—1950-1958										From 1 January 1959 to date							Grand Total					
	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO		ICAO	ILO	ICA	Other Agencies	Total
Alghanistan.....				1	1		2				4									3		3	7
Alaska.....				1							1											3	1
Argentina.....					1						1										3	3	4
Australia.....				3							3			1							3	1	4
Austria.....				2	2						4											4	4
Belgium.....				1							1										1	1	2
Bolivia.....				5	1		1			4	11									2	2	13	13
Brazil.....				12						6	19										2	21	21
British Guiana.....				6						1	8											8	8
Brunei.....						1					2											2	2
Burma.....	75			9	3		1		1		90			2								22	112
Cambodia.....	16			1	2					20	39			8								8	47
C/P/w/d.....	91			41	10	2	4	1	31	1	181	30		3						5	6	44	225

TABLE 2—Continued

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1959,
BY COUNTRY AND AGENCY FOR WHICH TRAINING WAS ARRANGED—Continued

COUNTRY	Calendar Years—1950-1958											From 1 January 1959 to date										Grand Total		
	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies		Total	
B/Fwd.....	91			41	10	2	4	1	31	1	181	30			3						5	6	44	225
Ceylon.....	77			2					3		82	12											12	94
Chile.....				8	1	5			8		22					1				2		3	25	
Colombia.....										1	1												1	
Colombo.....				6		1		1			8												8	
Costa Rica.....									10		10									4	1	5	15	
Cuba.....				1							1									2		2	3	
Cyprus.....						2					2												2	
Denmark.....				2	3						5				1							1	6	
Dominican Republic.....																				1		1	1	
Ecuador.....				3	2	2	1				8												8	
Egypt.....				20	1	1					22			1						3	1	5	27	
El Salvador.....				1					3	1	5									1		1	6	
Ethiopia.....				3			1		2		6			1						2		3	9	
Finland.....				16		3	2				21			1								1	22	
C/Fwd.....	168			103	17	16	8	2	57	3	374	42		6	1	1				20	8	78	452	

TABLE 2—Continued

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1959,
BY COUNTRY AND AGENCY FOR WHICH TRAINING WAS ARRANGED—Continued

Country	Calendar Years—1950-1958											From 1 January 1959 to Date											
	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	Grand Total
B/fwd.....	168			103	17	16	8	2	57	3	374	42			6	1	1			20	8	78	452
France.....				6	4				1		11										1	1	12
French Togoland.....					1						1												1
Germany.....									1		1												1
Ghana.....			3								3			18							1	19	22
Gold Coast.....				3							3												3
Greece.....				1	1				1	2	5			1						1	3	5	10
Guatemala.....				1	1	1					3									1		1	4
Haiti.....				6	5			1	2		14									2		2	16
Honduras.....									3		3									1		1	4
Hong Kong.....				2							2			1								1	3
Iceland.....																				1		1	1
India.....	291			26	4	4			2	9	336	58		4								62	398
Indonesia.....	163			3	2		1		12	1	182	30		2	2					5	2	41	223
Iran.....				12	3	2			9	1	27			2								2	29
Iraq.....				4	1	2			5		12												12
C/fwd.....	622		3	167	39	25	9	3	93	16	977	130		19	15	3	1			31	15	214	1,191

TABLE 2—Continued

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1959,
BY COUNTRY AND AGENCY FOR WHICH TRAINING WAS ARRANGED—Continued

Country	Calendar Years—1950-1958											From 1 January 1959 to Date											
	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	Grand Total
B/fwd.....	622		3	167	39	25	9	3	93	16	977	130		19	15	3	1			31	15	214	1,191
Israel.....				11		2		1	7	1	22				2					1		3	25
Jamaica.....																				2		2	2
Japan.....				4	1	1				2	8	1		4	1	1					1	8	16
Jordan.....				4	1						5												5
Korea.....				11						36	47			2		4		1	12	2	21	68	
Laos.....	17										17	1										1	18
Lebanon.....				1							1											1	1
Liberia.....										2	2			1								1	3
Malaya.....	17				1						18	17				1						18	36
Malta.....				2							2			1								1	3
Mexico.....				5		2			2	1	10			2							3	5	15
Morocco.....				1	1						2			5					1			6	8
Nepal.....				3							3	1										1	4
Netherlands.....				1							1												1
C/Fwd.....	656		3	210	43	30	9	4	138	22	1,115	150		19	32	4	7		1	47	21	281	1,396

TABLE 2—Continued

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1959,
BY COUNTRY AND AGENCY FOR WHICH TRAINING WAS ARRANGED—Continued

COUNTRY	Calendar Years—1950-1958										From 1 January 1959 to date										Grand Total		
	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA		Other Agencies	Total
B/Fwd.....	656		3	210	43	30	9	4	138	22	1,115	150		19	32	4	7		1	47	21	281	1,396
New Zealand.....				1							1												1
Nicaragua.....							1		1		2												2
Nigeria.....				2							2			1	1					7		9	11
North Borneo.....	5										5	6										6	11
Norway.....				3	2				1		6												6
Nyasaland (Netherlands Citizen).....					1						1												1
Pakistan.....	257			28	4	1		1	12	1	304	50		1	1					16	1	69	373
Panama.....				3					4		7											1	8
Paraguay.....									1		1												1
Peru.....									1	1	2												2
Philippines.....	1			5			1	1	22	3	33	26								10		36	69
Poland.....				2							2				1							1	3
Puerto Rico.....									2	1	3												3
C/Fwd.....	919		3	254	50	31	11	6	182	28	1,484	232		20	34	6	7		1	81	22	403	1,887

TABLE 2—Continued

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1959,
BY COUNTRY AND AGENCY FOR WHICH TRAINING WAS ARRANGED—Continued

COUNTRY	Calendar Years—1950-1958										From 1 January 1959 to date										Grand Total		
	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA		Other Agencies	Total
B/Fwd.....	919		3	254	50	31	11	6	182	28	1,484	232		20	34	6	7		1	81	22	403	1,887
Sarawak.....	5										5	10										10	15
Saudi Arabia.....									1		1									1		1	2
Singapore.....	6			2							8	2										2	10
Solomon Islands.....				1						1	2											2	2
South Africa.....				1	1						2											2	2
Southern Rhodesia.....						1					1												1
Spain.....																				2		2	2
Sweden.....				3				1		1	5				1							1	6
Switzerland.....				2							2												2
Syria.....					5	2					7												7
Sudan.....														4								4	4
Taiwan.....				19	1			1	8		29			2						1	1	4	33
Tanganyika.....						1					1												1
C/Fwd.....	930		3	282	57	35	11	8	191	30	1,547	244		20	40	7	7		1	85	23	427	1,974

TABLE 2—*Concluded*

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1959,
BY COUNTRY AND AGENCY FOR WHICH TRAINING WAS ARRANGED—*Concluded*

COUNTRY	Calendar Years—1950–1958											From 1 January 1959 to date										Grand Total		
	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies		Total	
B/Fwd.....	930		3	282	57	35	11	8	191	30	1,547	244		20	40	7	7		1	85	23	427	1,974	
Thailand.....	5			6	5	2	1	1	26		46	18		3						16	2	39	85	
Trinidad.....				1							1											7	11	
Tunisia.....				2					2		4									7		7	11	
Turkey.....				3	1	11			1	2	18									16	2	18	36	
United Arab Republic.....															1							1	1	
United Kingdom.....									2		2												2	
Uruguay.....				5	1				1		7										7	7	14	
Venezuela.....				4							4												4	
Viet Nam.....	85								7	1	93	26		1							27	5	59	152
Virgin Island.....				3							3												3	
West Indies.....		5		8		2			2		17		23									23	40	
Yugoslavia.....				6					6		12												12	
Grand Total.....	1,020	5	3	320	64	50	12	9	238	33	1,754	288	23	20	44	8	7		1	158	32	581	2,335	

TABLE 3

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1959
BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Field of Study	Calendar Years 1950-1958										From 1 January 1959 to date										Grand Total			
	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA		Other Agencies	Total	
AERIAL SURVEY.....	8										8												8	
Photogrammetry.....	8										8												8	
AGRICULTURE.....	25				1						26	19		1							2		1	48
Agronomy.....	2					1					3												3	
Animal Husbandry.....	8										8												8	
Biological Control.....	2										2												2	
Botany.....	4					1					5	2										2	7	
Cereal Technology.....	1					2					3												3	
Chemistry.....	4										4												4	
Dairying.....	1										1												1	
Economics.....	4										4												4	
Engineering.....	77				1						78												78	
Entomology.....	1										1	1										1	2	
Farm Mechanics.....	4					3					7												7	
Fertilizer Manufacture.....				1							1												1	
Grain Equipment.....												1										1	1	
Grain Storage and Distribution.....	15					10					25	1										1	5	
Government Agricultural Administration.....	2					1					3												3	
Helminthology.....	1										1												1	
Horticulture.....	1										1												1	
											—												—	
											173												173	
C/Fwd.....	168			1	2	18					189	25		1							2		28	
																							217	

TABLE 3—Continued

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1959
BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Field of Study	Calendar Years 1950-1958											From 1 January 1959 to date									Grand Total		
	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA		Other Agencies	Total
B/Fwd.....	168			1	2	18					189	25		1						2		28	217
AGRICULTURE (Cont'd)																							
Meat Packing and Cold Storage.....				1		1					2											2	2
Mycology.....	2										2											2	6
Plant Pathology.....	3					1					4	2										3	6
Soil Science.....	9					1					10	1		1								3	12
Tobacco Research and Prod.....	2			1		1					4											4	4
Veterinary Science.....	5			2							7	2		1	1							4	11
ACCOUNTANCY.....	24			10				1	1		36												36
AVIATION.....	3						9				12	1								1		2	14
BANKING.....	1			1					13		15												15
BIOCHEMISTRY AND ENZYMOLOGY.....	6										6	2										2	8
BUSINESS ADMINISTRATION.....	3			2							5												5
CEMENT MANUFACTURE.....	8			1							9	1										1	10
Pre-Cast Concrete.....	1										1											1	11
CHEMICAL INDUSTRY.....	5										5												5
C/Fwd.....	240			19	2	22	9		14	1	307	34		2	1	1				3		41	348

TABLE 3—Continued

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1959
BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Field of Study	Calendar Years 1950-1958										From 1 January 1959 to date										Grand Total			
	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA		Other Agencies	Total	
B/Fwd.....	240			19	2	22	9		14	1	307	34		2		1					3		41	348
CHEMISTRY.....	21			1							22	9									1	10	32	
COMMERCE.....	10			1						1	12	1		1							1	3	15	
COMMERCIAL ART.....														1								1	1	
CO-OPERATIVES AND MARKETING.....	45			10	3	7		2	5		72	11	1	1					1			14	86	
ECONOMICS.....	5			5	1		2				13	1	1									2	15	
EDUCATION.....	21				39				8		68	3	13									16	84	
Educational Psychology					2				1		3											1	3	
Museums.....															1							1	88	
ENGINEERING.....	6										6	1									1	7		
Agriculture (see AGRICULTURE)																								
Applied.....	19										19	1									1	20		
Chemical.....	8			1	1						10	4									4	14		
Civil.....	35										44	16									16	60		
Electrical.....	34			6					1		41	21	2								23	64		
Highway.....												4									4	4		
Hydro-Electrical.....	32			4							36			1							1	37		
Irrigation.....	5										5	1	48	1							2	52		
Marine.....	1										1										1	214		
C/Fwd.....	482			50	48	29	11	2	29	2	659	107	15	7	2	2	1		1	3	2	140	799	

TABLE 3—Continued

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1959
BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Field of Study	Calendar Years 1950-1958										From 1 January 1959 to date										Grand Total		
	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA		Other Agencies	Total
B/Fwd.....	482			56	48	29	11	2	29	2	659	107	15	7	2	2	1		1	3	2	140	799
ENGINEERING (Cont'd)																							
Mechanical.....	35										35	11		2		1						14	49
Mining (see MINING)											32	14	25		1						6	21	53
Nuclear.....	32																						
Radio.....	1										1												1
Thermal-Electrical.....	3										3												3
Thermo-Dynamics.....	1										1												1
Traffic.....														1								1	108
FISHERIES.....	26			2		8			1		37	3				5				1		9	46
FORESTRY.....	23	3		2		6			5		39	6										6	45
GEOLOGY.....	24			6							30	9		2	2							13	43
HEALTH SERVICES																							
Anaesthesiology.....	2										2												2
Anatomy.....	1										1											1	2
Bacteriology.....	3										3											1	4
Cardiology.....	3										3											1	4
Dentistry.....	3										3			1								2	5
Dermatology.....	1										1											1	2
Genito-Urinary Surgery...	2										2	1	6									1	7
Hospital Administration..	3										3												3
Medical Photography.....	1										1											1	26
C/Fwd.....	646	3		66	48	43	11	2	35	2	856	156	15	10	7	3	7		1	4	8	211	1,087

TABLE 3—Continued
 NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1959
 BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Field of Study	Calendar Years 1950-1958										From 1 January 1959 to date										Grand Total		
	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA		Other Agencies	Total
B/Fwd.....	646	3		66	48	43	11	2	35	2	856	156	15	10	7	3	7		1	4	8	211	1,067
HEALTH SERVICE (Cont'd.)																							
Medicine.....	2		3						2		7	3		1							4	11	
Microbiology.....	2										2											2	
Neo-Natal Pathology.....	1										1	1									1	1	
Neurology.....											1											1	
Neuro-Pathology.....	1										1											1	
Nutrition and Dietetics.....	5					1					6											6	
Nursing.....	27								4		31	12								23	35	66	
Obstetrics and Gynaecology.....	7										7	1									1	8	
Ophthalmology.....	2										2											2	
Otolaryngology.....	2										2											2	
Pathology.....	3										3	1									1	4	
Pediatrics.....	4										4	5									5	9	
Pharmacy.....	4										4	6									3	9	
Pharmacology.....	2			2							2	3										2	
Physiology.....	5										5	2									2	7	
Psychiatry.....	1										1			1							1	2	
Public Health.....	28			1					8		37	6							1		7	44	
Radiology.....	6										6	1 35	1								2	8	
Surgery.....	4										4											4	
Therapy.....	1			1							2			2							1 25	5	
Tuberculosis.....	8										8										3 65	8	
C/Fwd.....	761	3	3	70	48	44	11	2	49	2	993	191	16	12	9	3	7		1	29	8	276	1,269

TABLE 3—Continued

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1959
BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

COUNTRY	Calendar Years—1950-1958											From 1 January 1959 to date											Grand Total
	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	
B/Fwd.....	761	3	3	70	48	44	11	2	49	2	993	191	16	12	9	3	7		1	29	8	276	1,269
HOUSING AND TOWN PLANNING.....	7			5							12	7	3	1								11	23
IMMIGRATION AND SETTLEMENT.....	6			1					1		8	3										3	11
INDUSTRIAL DEVELOPMENT AND MANAGEMENT.....	7			10							17	2		2								4	21
INSURANCE.....				1							1												1
IRON AND STEEL INDUSTRY..	1			1							2	2										2	4
LABOUR.....	3							1	5		9	4										4	13
LIBRARY SCIENCE.....	2										2	4										4	6
MATHEMATICS.....	1										1												1
METEOROLOGY.....				2	1		1				4	2		1								3	7
MINING.....	7			8	1						16	3								1		4	20
Beneficiation and Processing.....	2										2	1		1								2	4
Engineering.....	10										10	9	13	1	6							16	26
Labour Safety.....								2			2											2	59
OPTICS.....	1										1												1
OIL AND GAS WELL CONSERVATION.....	1			1							2												2
OIL AND GAS TECHNOLOGY..	4										4	2										2	6
PALEONTOLOGY.....	1										1												1
PATENTS, COPYRIGHTS AND TRADEMARKS.....	1								3		4												4
C/Fwd.....	815	3	3	99	50	44	12	5	58	2	1,091	230	19	13	20	3	7		1	30	8	331	1,422

TABLE 3—Continued
 NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1959,
 BY COUNTRY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

COUNTRY	Calendar Years—1950-1958											From 1 January 1959 to date											Grand Total
	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	
B/Fwd.....	815	3	3	99	50	44	12	5	58	2	1,001	230	19	13	20	3	7		1	30	8	331	1,422
PHOTO GEOLOGY.....	2			1							3												3
PHOTOLITHOGRAPHY.....	1										1												1
PHYSICS.....	10										10	4			1							5	15
POLICE ADMINISTRATION.....	21								8		29	4								9		13	42
POSTAL ADMINISTRATION.....																				1		1	1
PRINTING AND ENGRAVING.....	1										1												1
PSYCHOLOGY.....	1				2						3												3
Child Psychology.....	1										1												4
PUBLIC ADMINISTRATION.....	47	1		50				1	74	5	178	24	4	5	4					60	1	98	276
PUBLIC FINANCE.....	13			46					51	21	131	3			6					9	23	41	172
PUBLIC INFORMATION SERVICES.....	2										2				1							1	3
Journalism.....	7				1						8				2					1		3	11
Film Board.....	4			1	5				1		11				1	4						1	12
Radio and Television.....																							
Broadcasting Equipment.....	14	1		2	3						20	4		2	1							7	27
C/Fwd.....	939	5	3	199	61	44	12	6	192	28	1,489	269	23	20	31	8	7		1	110	32	501	1,9

TABLE 3—Concluded

NUMBER OF PERSONS TRAINED IN CANADA THROUGH TECHNICAL CO-OPERATION SERVICE FROM 1950 TO 31 DECEMBER 1959
BY FIELD OF STUDY AND AGENCY FOR WHICH TRAINING WAS ARRANGED

Field of Study	Calendar Years 1950-1958											From 1 January 1959 to date											Grand Total
	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	Colombo Plan	West Indies	Other Comw. Countries	UNTAA	UNESCO	FAO	ICAO	ILO	ICA	Other Agencies	Total	
B/Fwd.....	939	5	3	199	61	44	12	6	192	28	1,489	269	23	20	31	8	7		1	110	32	501	1,990
PULP AND PAPER MANUFACTURE..	14					3				1	18	3										3	21
RAILWAYS.....	19			25						3	47	4										4	51
REFRIGERATION.....	1										1												1
RIVER SURVEY AND CONSERVANCY.	3			1							4												4
ROAD AND/OR RIVER TRANSPORT..	6			3							9												9
RUBBER MANUFACTURE.....	1										1												1
SOCIAL WELFARE.....	9			53	2	1			1	1	67	2		8						16		26	93
STATISTICS.....	19			31	1	2		3	30		95	6		2						29		37	132
STORE ADMINISTRATION.....												1										1	1
TECHNICAL TRADES.....									2		2	1										1	3
TELECOMMUNICATIONS.....	8			8					4		20	1		3						3		7	27
TRADE FAIR TECHNIQUES.....	1										1											1	1
WILDLIFE CONSERVATION.....												1										1	1
Total.....	1,020	5	3	320	64	50	12	9	238	33	1,754	288	23	20	44	8	7		1	158	32	581	2,335

TABLE 4

NUMBER OF EXPERTS RETAINED FOR SERVICE ABROAD FOR COLOMBO PLAN COUNTRIES AND WEST INDIES AND OTHER COMMONWEALTH COUNTRIES FROM 1950 TO DECEMBER 31, 1959, BY COUNTRY AND DEPARTURES AND RETURNS EACH YEAR

	Sent Abroad										Returned to Canada								Number abroad as at 31 December 1959	Comparative number as at 31 December 1958	
	1951	1952	1953	1954	1955	1956	1957	1958	1959	Total	1953	1954	1955	1956	1957	1958	1959	Total			
COLOMBO PLAN																					
Burma.....				1	1	1	3	4	1	11			1	1	1		4	7	4	7	
Cambodia.....				2	1	1				4		1	2	1				4	—	—	
Ceylon.....	2	5	7	9	5	5	5	3	1	42	3	5	5	5	3	8	5	34	8	12	
India.....				3	3	3	7	4	1	21				2	10	4	4	20	1	4	
Indonesia.....				1	1	2	1	3	3	11				2			3	5	6	6	
Laos.....							1			1				1				1	—	—	
Malaya.....			6	2	1	6			2	17		3	1	4	4	2	1	15	2	1	
North Borneo.....				1						1				1				1	—	—	
Pakistan.....			4	4	3	2	1	2	6	22	1	1	7	1	3	2	3	18	4	1	
Sarawak.....							3	1		4									4	4	
Singapore.....						1	1	1	1	4				1	1	2	4		—	1	
Thailand.....							1			1							1	1	—	1	
Vietnam.....									2	2									2		
Two or more Countries.....			4	1				1		6	4	1				1		6	—	—	
Total Colombo Plan.....	2	5	21	24	15	21	23	19	17	147	8	11	16	17	23	18	23	116	31	37	
West Indies.....								7	8	15						2	9	11	4	5	
Other Commonwealth Countries.....								2	7	9						2	4	6	3	—	
Grand Total.....	2	5	21	24	15	21	23	28	32	171	8	11	16	17	23	22	36	133	38	42	

TABLE 5

NUMBER OF CANADIAN EXPERTS SERVING ABROAD UNDER THE UNITED NATIONS AND SPECIALIZED AGENCIES AS AT 31 DECEMBER 1959, BY COUNTRY AND AGENCY

Country	Total	UNTA	UNESCO	FAO	WHO	ICAO	ILO
Argentina.....	1	1					
Bolivia.....	1				1		
Burma.....	4	1		1	1		1
British Honduras.....	1		1				
Cambodia.....	2				2		
Ceylon.....	1			1			
Chile.....	2	2					
Costa Rica.....	1				1		
Egypt.....	2		1				1
Ethiopia.....	1					1	
Ghana.....	4	2		2			
India.....	8	2			5		1
Indonesia.....	8	1	2	2	2		1
Iran.....	6	1	1		4		
Iraq.....	1		1				
Israel.....	1				1		
Jordan.....	1	1					
Latin America.....	1		1				
Libya.....	2			2			
Malaya.....	1	1					
Manila.....	1						1
Mauritius.....	1				1		
Morocco.....	2	1			1		
Nepal.....	1	1					
Pakistan.....	3	1			2		
Philippines.....	1						1
Sarawak.....	1				1		
Seychelles.....	1	1					
Singapore.....	2				2		
Sudan.....	4	1			3		
Switzerland.....	1			1			
Syria.....	1			1			
Tanganyika.....	1			1			
Turkey.....	1			1			
Thailand.....	2		1		1		
Uganda.....	1			1			
Venezuela.....	4	4					
General Projects.....	7	2		3	2		
Total.....	84	23	8	16	30	1	6

The Technical Co-operation Service has assisted in arranging some of the appointments summarized above, but many people have been recruited directly by the agencies concerned. The summary is substantially accurate but, since it is based on incomplete information, there are probably some experts now abroad who have not been included.

SUMMARY: The following shows the number of Canadian experts engaged on United Nations Technical Assistance projects during the calendar years 1952, 1953, 1954, 1955, 1956, 1957, 1958 and 1959.

Year	UNTA	UNESCO	FAO	WHO	ICAO	ILO	Total
(1) 1952.....	19	7	20	26	3	10	85
(2) 1953.....	16	7	24	24	3	4	78
(3) 1954.....	15	4	16	28	2		65
(4) 1955.....	17	10	26	27	2		82
(5) 1956.....	23	11	26	43	5	3	111
(6) 1957.....	30	13	27	47	8	4	129
(7) 1958.....	23	8	15	30	1	4	81
(8) 1959.....	23	8	16	30	1	6	84

TABLE J

COUNTERPART FUNDS

SUMMARY—COLOMBO PLAN AND SPECIAL GRANT COMMODITY SHIPMENTS CREATING
COUNTERPART FUNDS, 31 DECEMBER 1959

Country	Canadian cost	Rupee equivalent	Allocated to projects	Balance to allocate
CEYLON.....	\$ 9,419,760.61	Rs 41,127,858.12	Rs 16,634,484.25	Rs 24,493,373.87
INDIA.....	73,226,259.91	359,521,190.10	144,256,232.93	215,264,957.17
PAKISTAN.....	28,960,437.49	126,528,313.69	41,577,779.00	84,950,534.69
Totals.....	\$111,606,458.01	Rs 527,177,361.81	Rs 202,468,496.18	Rs 324,708,865.73

EXTERNAL AFFAIRS

HOUSE OF COMMONS

Third Session—Twenty-fourth Parliament

1960

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

WEDNESDAY, MARCH 16, 1960

ESTIMATES 1960-61 OF THE DEPARTMENT OF
EXTERNAL AFFAIRS

WITNESS:

General the Honourable A. G. L. McNaughton, Chairman, Canadian Section,
International Joint Commission

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1960



STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.,

and Messrs.

Aitken (Miss),	Kucherepa,	Nugent,
Allard,	Lafrenière,	³ Payne,
Batten,	Lennard,	Pearson,
Cardin,	MacLellan,	Pratt,
Cathers,	Macquarrie,	Regier,
Crestohl,	Mandziuk,	Richard
Eudes,	Martin	(Ottawa East),
Fairfield,	(Essex East),	Slogan,
Fleming (Okanagan- Revelstoke),	¹ Matthews,	Smith
Garland,	McCleave,	(Calgary South),
Hellyer,	² McFarlane,	Stinson,
Herridge,	McGee,	Valade,
Jones,	Montgomery,	Vivian—35.
	Nesbitt,	

Eric H. Jones,

Clerk of the Committee.

¹Replaced Mr. Kucherepa on 15th March.

²Replaced Mr. Lafrenière on 15th March.

³Replaced Mr. Stinson on 15th March.

MINUTES OF PROCEEDINGS

House of Commons, Room 238-S.

WEDNESDAY, March 16, 1960.

(6)

The Standing Committee on External Affairs met at 9.30 o'clock a.m. The Chairman, Mr. H. O. White, presided.

Members present: Miss Aitken and Messrs. Batten, Cardin, Cathers, Fairfield, Fleming (*Okanagan-Revelstoke*), Herridge, Jones, Lennard, Macquarrie, Mandziuk, Matthews, McCleave, McFarlane, McGee, Montgomery, Nesbitt, Nugent, Pratt, Regier, Richard (*Ottawa East*), Vivian, and White.—(23).

In attendance: From the Department of External Affairs—Mr. A. E. Ritchie, Assistant Under-Secretary; Mr. J. H. Cleveland, Head, American Division, with Mr. J. M. Cook and Mr. D. W. Munro. *From the International Joint Commission*—General the Honourable A. G. L. McNaughton, Chairman, Canadian Section; Mr. D. G. Chance, Secretary, Canadian Section; Mr. E. R. Peterson, Engineering Adviser, Canadian Section; Mr. J. L. MacCallum, Legal Adviser, Canadian Section.

The Committee resumed from Friday, March 11, consideration of the 1960-61 estimates of the Department of External Affairs.

Item 105 relating to the International Joint Commission was called.

General the Honourable A. G. L. McNaughton was called: In the course of the examination the witness filed the following:

1. A Brochure relating to Investigation of the International Passamaquoddy Tidal Power project and the Report to the International Joint Commission by the Passamaquoddy Engineering Board—1959. (Distributed to each Member present).
2. One (1) copy only of the actual above-mentioned Report, with 19 appendices.
3. One (1) copy only of Report relating to the Fisheries Investigation on Passamaquoddy by the International Fisheries Board and the Report to the International Joint Commission, with 4 appendices,—October, 1959.

And the examination of General McNaughton continuing, it was adjourned to the next sitting of the Committee.

The Chairman informed the members that the voluminous reports and appendices to the International Joint Commission by the Passamaquoddy Engineering Board and the International Fisheries Board—October, 1959, filed today, would be left in the custody of the Committees Branch and could be consulted by members, on request, at any time.

At 11.00 o'clock a.m. the Committee adjourned to meet again at 9.30 o'clock a.m. Friday, March 18th, 1960.

Antoine Chassé,
Acting Clerk of the Committee.

EVIDENCE

WEDNESDAY, March 16, 1960.
9:30 a.m.

The CHAIRMAN: Will the committee please come to order. Time is going on. We have with us today General McNaughton dealing with the International Joint Commission.

Those of you who were members of this committee on previous occasions know how thoroughly General McNaughton goes into the problems of the International Joint Commission.

He will make a statement and will proceed as he usually does, from east to west. There are two reasons for that. One is that there will be more data available on Friday on the Columbia river, and for that reason also we are commencing on the east coast and travelling westward. Without any further ado I call on General McNaughton. We are on item 105 of the Estimates.

INTERNATIONAL JOINT COMMISSION

Item 105. Salaries and expenses of the Commission including, subject to the approval of the governor in council and notwithstanding the International Boundary Waters Treaty Act, as amended, payment of salary of the chairman at \$17,500 per annum	\$ 102,808
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GENERAL A. G. L. McNAUGHTON, P.C., (Chairman, Canadian Section, International Joint Commission):

Mr. Chairman and gentlemen, the commission's request for funds for 1960-61 is reduced from last year, and this reduction is reflected in both the administrative side as well as the studies side.

Under the salaries expenditures vote I would like to mention the retirement of Miss Elizabeth Sutherland, the secretary of the commission. Miss Sutherland has been with the commission in one capacity or another since its initiation back in 1912. I would like to put on record the appreciation of the commissioners, both Canadian and American, of the outstanding services which this lady has rendered to Canada and also to the United States through her work for the International Joint Commission.

Mr. David Chance, who is here today, has been appointed secretary in succession to Miss Sutherland.

In the study services vote our main reduction appears in the air pollution reference allotment and also in the Passamaquoddy reference.

It has been arranged that funds for the continued work in air pollution will be supplied by the Department of National Health and Welfare, and also the laboratory which we have maintained at Windsor, for analysis of air samples, is being transferred to that department.

That means—I am very glad to say—that this pioneer work which has been done by our people in air pollution and dust prevention is not going to be lost. It is being—as it should be—picked up by one of the regular departments of government, and will be carried on under that department.

The other reduction is in the Passamaquoddy fisheries and engineering board. The reason for that is that the work is now practically complete. I shall be explaining some of it a little later on this morning. What remains to be done is some economic adjustments of work and to finish up some of the office studies. Also we have one more public hearing.

We have received the report of the engineering and fisheries board and we have made a summary of it available to the interested people in the locality. We have placed a copy of the main reports, which are quite voluminous, in places in the Atlantic region of both countries, so that they can be got at and inspected.

Our funds of course do not run to the reproduction of these elaborate engineering board reports. It is a very expensive matter, and we can only afford to give the reports to those who are especially concerned.

A new item has been added to this vote which is known as the water pollution reference on Rainy lake and Lake of the Woods; and we have of course in this vote also an amount which is necessary to carry on the continued supervision of water quality in the connecting channels of the Great Lakes, which remains our responsibility under actions, subsequent to our report, taken by the two governments.

This also covers the cost of travel expenses for staff that we borrow from the Ontario water resources commission with which we have—I am happy to say—with Mr. Snyder and his associates, the very closest—to us anyway, and I think to them—and the most satisfying associations.

We have an item the same as last year of \$25,000 for what is known as the Alaska-Yukon reference. That reference has not been placed formally before the commission as yet, but we know from the great interest in water in the north, that it undoubtedly will come to us, and we do want to be in a favourable position to appreciate the problems that are presented.

We have had one pretty severe experience, if I may put it that way, in this matter, of being precipitated into international discussions without full and appropriate knowledge of our own resources. In this I refer to the Columbia basin, and the formal reference which enabled us to start on that matter which came on March 9, 1944. Only a few months ago the main engineering board reports became available on that very important matter, to give data to work on, and we have not even as yet got the detailed appendices to that report.

You can imagine that that put the Canadian side at a tremendous disadvantage, because our good friends in the United States were naturally marching ahead with their developments. We had been placed in a position that we are thus trying to pick up Canadian interest, and to catch up with events which march forward. That is the important thing; but it has prejudiced our position.

Mr. JONES: I saw a television program last year giving the American version of their negotiations, and they said practically the same thing as the general is now saying about their own side, that they were at a disadvantage in dealing with Canadians because Canadians were so much better informed about what was going on.

General McNAUGHTON: That is a compliment which we appreciate; but I can assure you, sir, that Canada has spent, under the auspices of the commission, something of the order of \$4½ million, or a little more in preparing these reports. We started these really from scratch. We did not even have topographic maps of the basin, and we had no idea of the rivers, waters, lakes, and so on, whereas the United States had their 308 Report, a very admirable document, from the point of view of the United States, and upon which scores of millions of dollars had been spent by the army engineers, the bureau of reclamation, the department of the interior, and others. So I cannot imagine why the person who spoke in that way would say that we were better off in the way of information than they were.

Mr. JONES: That contention was made by several people including senators and so on. Maybe that is what made them feel at a disadvantage.

Mr. HERRIDGE: We really should let the witness continue with his opening remarks before we begin to question him, but I take it that it is correct to say that the bulk of the information we now have on the Columbia river basin has been obtained at the expense of the public of Canada?

General McNAUGHTON: That is right. Most of that investigation has been financed through the International Joint Commission, but we could not have done the work entirely at our own expense. This collection of information through the Columbia river engineering board and through the working committees, and so on, has only been made possible by the very effective and wholehearted cooperation which we have received from the various services of the government of British Columbia. Indeed, I could go a great deal further than that and say through the help of private interests of various kinds such as British Columbia Electric, and others including Cominco. (Consolidated Mining and Smelting Company.) They have been very free in putting this information at our disposal and to let us have the use of it—confidentially of course, so that their own interests would not be compromised. But probably more important than that specific thing, we have enjoyed association with their technical representatives on our various committees. Without that, instead of the \$4,500,000, if we had had to pay for these services as a direct expense to Canada, it would have cost much more.

Perhaps we should take what has been said as a compliment to the work of our engineering staff, that with the little information we have had, our engineers have made the best use of it. I hope that is the case, because I do bear tribute to our engineers.

I was speaking, Mr. Chairman, about the importance of these northern rivers and the importance of this item for \$25,000 that we have asked for. The people we draw on were very busy with other work so that we just were not able to get on with that item. I hope however that we may have that amount of money for next year again, and that with the completion of some of these other references that we have, our engineers and economists will be able to come to grips with these problems.

In that vote we are asking for the same amount as last year, namely \$25,000, and we hope that just because we did not spend it last year it will not be struck out of the vote—because I can assure you it is very, very important indeed.

As the chairman said, in reporting to this committee, it has been the usual practice that I should go over the work of the commission starting with the most easterly of the various projects under study and proceeding westwards towards the Pacific.

Of course, in past years, a considerable proportion of the time which is available in this committee has been devoted to many diverse problems associated with the Columbia river.

This year I am happy to report that the matters which are at issue in that river basin have progressed, and have now entered a new stage which we hope will lead the way to an agreeable solution. That stage is marked by the fact that the commission has now completed its special assignments from the governments of the United States and Canada, which were stated by letters from the two governments dated January 28 and 29 of 1959 respectively.

These letters requested the commission to formulate principles to be applied in the determination and allocation of the very important benefits which an upstream country may provide through the construction of reservoirs to impound the high flood flows characteristic of the rivers of the rocky mountain region and then, in the release of these stored waters, in regulated flow for use in hydro electric plants in the downstream country.

These arrangements also reduce flooding and so give protection to communities downstream that otherwise might be damaged by inundation.

The report on this matter, which with your permission, Mr. Chairman, I propose to table a little later in the discussion, was presented to the two governments on December 29, 1959.

Following this, the governments, as the members will know,—because this matter has been the subject of an announcement by the Minister of External Affairs in the House of Commons—the governments initiated discussions at the diplomatic level. These discussions are now proceeding and in consequence, with the completion of its assigned task, the IJC is in what I might call a position of observation, standing ready to take up any particular aspects of the various questions at issue which, in light of the negotiations, the governments may desire from time to time; otherwise we are not directly engaged in the discussions which are now proceeding.

This being so, I have, very naturally, to be most careful that I do not venture to comment on matters which are being dealt with by the negotiators and which are both delicate and intricate. The successful outcome of these negotiations is so important, both to Canada and the United States, that I hope I may be forgiven if I use the greatest discretion in confining my answers to any questions which may be put to me by members strictly to topographic, hydrological or other factual information derived from the various studies, more particularly those made by or at the instance of the Canadian section IJC in the course of our work pursuant to the reference of 9 March 1944. May I mention that the studies under this reference are approaching completion and we expect shortly to issue several of the appendices to the ICREB report of March 1959, which, Mr. Chairman, I was permitted to table for the information of the members the last time we met here in April.

Then, starting from the east, the first matter which I would like to refer to is the Passamaquoddy, a tidal development on the Bay of Fundy just opposite the mouth of the St. Croix river.

Passamaquoddy

On 9 November, 1948, the governments of Canada and the United States requested the IJC to

(1) review existing plans for the construction of hydro-electric power plants at Passamaquoddy and Cobscook Bays near the mouth of the St. Croix river, a boundary stream between the State of Maine and the province of New Brunswick;

(2) to report the scope of the investigations together with costs, necessary to enable the commission to determine whether these or any other plan for using these waters and the tides would be practicable and desirable; and

(3) to recommend the basis for the allocation of the costs of the investigation.

The commission visited the area and held public hearings in St. Andrews and in Eastport, which were attended by members of parliament, members of congress, governmental officers, representatives of industry and civic organizations and other interested citizens. There was a very wide interest exhibited by many people in the maritimes and in the State of Maine. As a result of these hearings the commission was particularly impressed with the possible serious adverse effects which the work contemplated might have on the fisheries in the Bay of Fundy and adjacent waters which are of great economic importance to the people of New Brunswick and Nova Scotia. I may say that this consideration has never been out of mind in all the investigations and studies which the commission and its various boards have since made. The report was cautionary and there was a feeling that in tidal power we were

looking at things which were not of such immediate importance as river basin development and so on.

In March 1950 the Commission's Engineering Board reported that "the International Passamaquoddy Tidal Power development can be physically engineered, constructed and operated", but that "information was not available to permit determination of its economic feasibility".

After review, this information was conveyed to governments in a report dated 20 October 1950.

In the years which followed an increasing interest came to be manifested in the idea of developing power from the tides. In this connection the Passamaquoddy project is perhaps the one which has drawn the most attention on this continent and has I believed evoked interest throughout the world. As a result this subject came before the commission again in a letter from the governments dated 2 August, 1956, when the following matters were referred for joint examination and advisory report:

- (a) It is desired that the commission determine the estimated cost of developing the international tidal power potential of Passamaquoddy Bay in the State of Maine and the province of New Brunswick, and determine whether such cost would allow hydro-electric power to be produced at a price which is economically feasible;
- (b) The commission is requested to determine the effects, beneficial or otherwise, which such a power project might have on the local and national economies in the United States and Canada and, to this end, to study specifically the effects which the construction, maintenance and operation of the tidal power structures might have upon the fisheries in the area.

Funds were made available by the governments of the U.S. and Canada for the engineering and fisheries investigations, and a report was asked for within a three-year period: this is to include details of specific design, cost estimates and estimate of benefits to be derived or losses to result from the project.

The commission reached the conclusion that the various investigations required could best be organized and prosecuted in two distinct sections. One related to fisheries under a Fisheries Board and the other related to engineering under an Engineering Board. While these boards would collaborate in matters of mutual concern they would each report separately to the commission and thus, in the respective fields of biological and engineering design, full professional responsibility for any opinions offered or advice given would be maintained. This was particularly important because of the anxieties over the effects which the project works might have on the fisheries of the region—which as you know are principally carried out by people from New Brunswick and Nova Scotia—a matter upon which acceptable assurance could only come from the fisheries biologists.

I would like to say, Mr. Chairman, that these arrangements worked out, I feel, to the complete satisfaction of the various interests concerned; also by focusing relevant matters in the respective groups, a marked conservation was realized of the time of the various governmental experts whose services became available to direct and carry out the studies required.

The work of the fisheries and engineering groups were coordinated insofar as they needed to be through a small joint committee, which along with the two boards kept the commission currently informed of their progress.

A great deal of work has gone into the studies and very fine reports have been submitted to the commission by both the International Passamaquoddy

Fisheries Board and the International Passamaquoddy Engineering Board respectively. These reports are each supplemented with a number of appendices dealing comprehensively with the various specific related studies.

Mr. Chairman, with your permission I would table one copy of the full reports of each of these boards together with the appendices thereto, which I suggest might be retained by your secretary so that they would be available for consultation by members of the committee. We have a limited number of additional copies of the reports and appendices and if any member of the committee has a particular interest in any special aspect, the secretary of the commission, if you let him know, will endeavour to obtain extra copies of those which are available. Our funds simply do not run to the extent that we could have many copies made of this immense volume of material.

The CHAIRMAN: Would it meet with the approval of the committee to have these reports included as an appendix to our minutes and proceedings of evidence?

General McNAUGHTON: I think you should look at the volume before you decide.

Mr. HERRIDGE: Is it not the custom to reproduce any such reports in the minutes of proceedings and evidence of the committee?

General McNAUGHTON: I think it would be a vastly expensive matter. So far as the information of the public is concerned I do not think it is necessary, because these same reports are now being published in journals and technical literature with an international reputation. We will get the detail eventually before the public without having to spend money on it ourselves.

The CHAIRMAN: It would seem, therefore, from the information General McNaughton has given us, that these reports are available and it will not be necessary to include them in the report.

General McNAUGHTON: Mr. Chairman, in order to help in respect of the work of the committee itself, some months ago we asked the engineering board to make a summary of the engineering board's reports and bring into that summary the related conclusions which had been reached by the biologists. This brochure is available and is now being distributed. I think it is a very excellent and very interesting précis of the engineering report. It was prepared in close cooperation with the fisheries board and in consequence the references to this aspect of the matter are authoritative.

The CHAIRMAN: I wish to inform the members of the committee that while these reports are not yet available in the library of parliament they will be in the not too distant future. As you can see they are very voluminous. Any members who are particularly interested will have no difficulty in securing a report if they so wish.

Mr. MONTGOMERY: Are they not available as yet?

General McNAUGHTON: If you will tell the secretary of the committee which ones you want he will communicate with the secretary of the commission and we will take steps to make the particular report available at once. I believe you can see the problem we are up against. I think we might classify this as probably the most comprehensive development in respect of a fisheries and engineering problem that has ever been done. These are not duplicates. This whole pile represents the actual reports which have been made and processed into the commission through the two boards.

It is a most amazing report, and the commission has expressed its greatest satisfaction to the two boards for the contribution to the knowledge of this subject which has been made and which is contained in these documents that are on the table.

Mr. MONTGOMERY: It is really about the only one in the world like that.

General McNAUGHTON: There is no comparable report on tidal power and its related bearing on the fisheries of the world today.

Perhaps I am going to have to disappoint a lot of people when I come to the assessment of the economic aspects of it. Nevertheless, this vital, completely impartially analysed information, I think, is a contribution of the first continent and, indeed, of the world, and the knowledge that goes with it.

A little later on, I am going to say a few things that bear on the future.

I think, while we may have no immediate advantage in the way of construction yet, this guides the way to making use of tidal power when, in the fulness of time, it becomes appropriate to take it into our scheme of things.

Mr. MONTGOMERY: I take it this is the engineering aspect, and the more voluminous reports deal with fisheries?

General McNAUGHTON: No, the fisheries are compressed into the four volumes over there. This is the fisheries aspect, and the report with green covers is the engineering. They are both very comprehensive.

Mr. MONTGOMERY: Thank you.

General McNAUGHTON: Now, Mr. Chairman, in carrying out studies of the sort that have been indicated, the commission has a standard practice, and that is that as soon as the reports of our boards are ready, we meet with the boards personally and summon to that meeting the members of the working committee, or the individual scientists or engineers who have prepared papers. We give each and every one of them an opportunity to address the commission on the subject matter of their contribution.

Then they are expected to stand cross-examination by the members of the commission, or members of our staff, so that in the period of several days these meetings go along, we have the opportunity—even if we perhaps have not got the ability to grasp all the complexities of it—to go into every aspect of these reports.

It is not until we have had what we call the briefing sessions that we in the commission settle down to discuss matters raised, to arrive at conclusions and begin the drafting of the report to government.

I should say those sessions were held this year in Boston. They were held there because it happened that most of the coordination of the engineering studies was carried out by the United States army engineers, and we had the advantage of having the use of their Boston offices for the purpose.

The fishery studies were centered mostly around St. Andrews. It was easier to bring the fishery people to Boston than the engineering people to St. Andrews—more particularly, because we needed access to the very extensive records, and those more conveniently accessible to us for consultation in the Boston office of the corps of engineers.

We have now had several meetings of the commission to discuss this matter, and we have just set the date for the public hearing; and that is to be held in the St. Stephen-Calais area on April 22.

Usually we hold meetings on both sides of the line, but in this case we have decided that since the matters are of such common interest we would like to get all the evidence presented in one place. We do not want it all to be Canadian one day and all American the next. The evidence has to be organized in order to deal with the particular aspects of these matters which are under debate. So, I think the understanding we have in the commission is that this time the public hearing will be held in Calais, it being very convenient to that section of New Brunswick which is interested.

I mentioned that there was some difficulty about these matters and these reports. One thing that grows out of that is that the commissioners felt we have

to have some further studies of the economics of the project before we can present or even make our report to government.

One of the principal reasons for this is that the engineering board used rates of interest in their financial calculation of $2\frac{1}{2}$ per cent in the United States and $4\frac{1}{8}$ per cent in Canada, which were the rates current at the time the investigations were commenced. Everybody knows these rates are no longer realistic and in consequence these calculations being based on the annual charges for capital—and most of the costs of this project are, by the way, on capital expenditure—we have to review those matters.

I think I gave a fairly complete outline of the various aspects of the project when I spoke to you before, on April 16, and I do not wish to be unnecessarily repetitious, but if there are any particular questions I would be most happy to endeavour to answer them.

Mr. Chairman, that map is the map of the region affected.

The CHAIRMAN: Are there any questions arising out of the statement of General McNaughton on the Passamaquoddy project?

Mr. MONTGOMERY: General McNaughton, did you mention, during your remarks, that this project is tied in with the Rankin rapids, on the Saint John river in Maine and the whole watershed?

If so, do those currents flow into the bay of Fundy, and would they affect it?

General McNAUGHTON: That is right, Mr. Chairman. The question of tidal power is one of variation of power with the tides. The tides, as you know, occur twice a day. They follow the phases of the moon and not the phases of the sun, unfortunately, with the result the power is coming out in pulses, and these pulses occur about fifty minutes later each day.

You cannot expect the people to change their whole economic use of power to coincide with the lunar cycles. So no tidal power plant, regardless of the amount of energy it produces, is really available to industry unless there is the means of firming up that power and making it continuously available, to match the load curve which is the demand of industries and other people for power.

It has been evident, right from the beginning, in our studies of the Passamaquoddy project and power production there, that we have to provide means for the incorporation of auxiliary plants of some sort to even out the power. Otherwise the value of unfirm power is very low, because nobody will buy it.

Rankin rapids is one of the possibilities of firming up the tidal power, but we have to persuade our friends who live on the St. John river above Fort Kent to build a dam at Rankin rapids or, perhaps, a smaller dam at Big rapids, in construction with another at Lincoln school, and between them to make available something like $1\frac{3}{4}$ to $2\frac{1}{2}$ million acre-feet of storage.

That storage water would be released through an installation at Rankin rapids or Lincoln school in the United States, and would be used to regulate the flows of the St. John river, and enable an increased installation to be made at Beechwood for which, on our recommendation, the government of New Brunswick has already made provision, which would enable also a couple of other plants to be installed, various sites for which have been proposed but which are not as yet definite.

Then, if Rankin rapids was tied in with the tidal power plants, the releases down the river would be so timed in the various at site plants as to even out the power of the combination.

Mr. MONTGOMERY: In other words, the Passamaquoddy project alone would not give the minimum continuous power?

General McNAUGHTON: If you look at the brochure I have sent out you will see the actual installation of plant at Passamaquoddy, which is proposed, is of the order of 300,000 kilowatts. I think that by this we might expect, with the two-pool scheme, to get 90 or 95 thousand kilowatts of firm power. It sounds difficult to envisage when you talk in thousands, but it is literally a very small amount of power. One must have a sense of proportion in these matters.

There are some turbines being built for installation in Canada now that have a capacity approaching 400,000 kilowatts—that is, individual units. In the United States there are individual machines under design—combined turbines—which will run to 750,000 kilowatts. If you turn to the Russian experience you will find individual, single turbines of half a million kilowatts under design at this moment.

I just mention those things to show that 300,000 kilowatts, or 95,000 kilowatts, is not in itself a very sizeable contribution. It is important, but it is not sizeable.

Mr. MONTGOMERY: I take it then, Mr. Chairman, that General McNaughton maybe would not care to express an opinion, but it would look as though it could not be a very economic development unless the whole area could be tied in and there was a market for the power?

General McNAUGHTON: That is exactly right, and that is what I think those of us who have studied the project are holding in our minds, that that is the thing which will come in the future.

There will come a time here—as has happened with our French friends at Rance on the coast of France—where they will have a big connected network. The network might perhaps run, with arrangements for an interchange of output, from Moncton on the north to Boston on the south, extending over, of course, into Nova Scotia as well, and Prince Edward Island.

That might have sufficient capacity that we could take the output of the tidal power plants, as they come, and absorb it in the load, backing off steam generation or other generation to make way for it. When that comes you can take the energy as it comes out of the tide. The fact it is coming in cycles is not going to be an economic disadvantage. But until that time comes if we are going to be practicable about tidal power, we have to have a firming up plant of some sort or another.

I should mention at this stage, there is another way by which the tidal power plant itself can be made more or less self-contained; that is by putting in a pump storage plant. Fortunately, on the Canadian side, just across the bay, there is a site. There is a little river—I cannot pronounce the name—which gives a site for a pump storage plant, which is quite adequate to firm up tidal power.

Mr. MONTGOMERY: I think I know the one you mean.

General McNAUGHTON: It is mentioned in here, and forgive my not trying to get my tongue around it. It is entirely practicable, though more expensive. I am told it is Digdeguash.

I should finish up what I had to say about Rankin rapids, because it is most important.

If the regulation of the St. John river is to be made the auxiliary to the tidal power plant, if you are going to have your river shackled to tidal power plants, you are going to be in pretty serious difficulties because the releases would be at the low point of where the tidal power comes twice a day, and you would have pulsating power and river to match the pulsating power in the tidal power plant. That is a pretty serious disadvantage.

Our engineers are studying the question of perhaps using the Rankin rapid flows in that way, and if we could get a re-regulating reservoir, something to even out the flows, and use them to meet the needs of the run of

river plants in the St. John, then it might be worth while to go ahead with those studies.

As people who are familiar with the St. John river well know, we have not too much possibility of storage in Canada, and Rankin and Lincoln school are about the largest storages on the St. John river system in Maine.

Mr. MONTGOMERY: Could we make storage facilities in Quebec?

General McNAUGHTON: There is storage up the Madawaska, but the amount available in those storages up there—having regard to the requirements of industrial development in the region—are, again, very small. These things are under study, and while it may turn out that some association between Rankin and Passamaquoddy might be possible in the future, it does not look very hopeful at the moment.

Mr. MACQUARRIE: Mr. Chairman, this is perhaps an unfair question for the General to answer, certainly from a layman. I am wondering if the General would care to say—it is a year since he was with us before—whether, in the light of the studies of the commission, he has any reason for greater, or less, optimism on the future prospects of the establishment of this very important and obviously very involved project?

General McNAUGHTON: I am going to make a confession of faith right now. I believe that there is potentially, when the time is optimum, a wonderful opportunity for the tidal power plants on the bay of Fundy. I believe that we have here one of the things that we so often meet in development, that what you cannot do on a small scale you can do on a large scale when the time comes for it, when something is there to take up your project.

Most of our troubles from tidal power come from the pulsating nature of the output. We have thought—and the consulting engineers in Canada with whom we have talked these matters over have thought—that in the bay of Fundy we have a wonderful opportunity. There is a natural time difference between the tides along the bay; not very much, but enough to bridge the gap, and some day or other there will probably be energy produced when energy requirements and the connected loads are sufficient.

There will be development, I am sure, at Passamaquoddy at the mouth of the bay, where the tides are not as high as they are further up. Also further up the bay, the arms run up to Moncton and the adjacent arms, and across from the Minas basin. I think it is altogether likely that in time you will see a ring of tidal power plants, naturally phased by nature, with the sum total connected to one grid which will give you the firm power under the one load that is needed for industry. Those developments, put together, are very large; they run, not with a few hundred thousand kilowatts but are measured in millions of kilowatts. There may come a time when the region around the bay of Fundy, which today is power poor, will be in a much more advantageous state.

Mr. MONTGOMERY: I do not suppose this would come within your field, General, but with the development of atomic power, is there a possibility that atomic power may eventually, within the next 20 years or so, take the place of a development such as this? Might it be more economical, or is it too early to say?

General McNAUGHTON: Mr. Chairman, I do not claim to have been able to keep too closely in touch with the atomic power business. I did have a very close association with those matters some years ago, when it fell to my lot to organize the atomic energy control board, under an act of parliament, for the government. Then my activities were diverted, first of all to the atomic energy commission in New York, where we set out to work out peaceful uses and control; and later, to the security council. When I came back my problems were connected with water; so that while I kept in association with it, I do not pretend to speak with authority. But in this and other basins we have naturally

had to consider this matter and others very carefully before giving advice on hydro electric developments generally. We had to get a pretty accurate appreciation of what probabilities of atomic power were.

In the Columbia particularly that was a matter that was very carefully debated by our engineering Board, and we came up with the conclusion that very definitely we could not expect atomic power to be competitive in regions where we had good water resources. That will hold for the tidal power in the years to come, when power can be used.

In our Columbia board reports—as I will mention when we come to that again later—we have taken 1985 as the period with which to make our comparisons. We have to take one period because otherwise we would get so diffused that we would not be able to carry the story through. We are all convinced, in the boards and in the commission, that in 1985, where we have hydro electric power of any sort that is by long odds more economical than other power; and as of that period the standard of comparison, the least cost alternative is not atomic, but it is steam with their plants on the coal fields.

We have an example of that already in British Columbia where around Lillooet the British Columbia Electric Company are moving ahead with a reserve plant now. I do not know just when they are going to build it, but their action confirms the judgment that we have made in the commission on these matters, that atomic power will be extraordinarily useful for special purposes. It is good for driving submarines and it has a lesser value for icebreakage in the ice-breakers. In the Soviet it is very good, but I do not think it would be so for Canada because we do not have to make such long voyages with our ice-breakers.

In the regions where the hydropower is exhausted, such as Ontario, and where the cost of fuel that you use is a factor—largely it has to be imported from the United States—you have the question of the movement of that fuel. The whole Welland canal is going to be taken up with coal barges in a few years, to look after southeastern Ontario, unless they get ahead with making atomic energy economic in the circumstances. It is not cheap power; it will be expensive power, but very convenient.

Mr. MONTGOMERY: So it would look as though this project—looking ahead, at least, to the time when it can be catered to—has the possibility of being an economical development which will be useful to the region?

General McNAUGHTON: In the course of time. That is my faith and belief as a result of the studies I have made. If you are going to help that region, it is not merely a matter of getting power; you have to get cheap power.

Mr. MONTGOMERY: Thank you.

General McNAUGHTON: You can get power anywhere; but if you are going to give an impetus to industry in that region, to re-establish the economies of those provinces, it has got to be cheap power.

In that connection I should like to refer—

Mr. MONTGOMERY: On the question of—

General McNAUGHTON: I should like to refer—did I interrupt you, sir?

Mr. MONTGOMERY: I was going to ask about the fisheries at this point; but you go on and we can come to that later.

General McNAUGHTON: Mr. Chairman, if the members of the committee would look at page 19 of the conclusions of this brochure that we have issued, on the right hand side of the page you will see a table. There are two headings, "50-year amortization" and "75-year amortization". Under that table, for each of the projects the benefit cost ratio for Canada and the United States is put, and the resulting cost per kilowatt hour in mills. So as not to let our discussion spread over too great a period I am going to stick to the 50-year amortization portion.

If you look at the tidal power project alone, because of its variable nature there are 300,000 kilowatts of installed capacity and a dependable capacity of only 95,000. The section of the project in the United States has a benefit cost ratio of .6. That means that in some body or other the United States would have to subsidize that to the tune of the difference, 40 per cent, in order to break even.

If we work it out for Canada, the benefit cost ratio is .34: in other words, we are going to get about one-third of the benefits of our expenditure back, as of the moment. The reason why the benefit cost ratio in Canada is lower than it is in the United States is this, that these comparisons, of course, are made as against the cost of the next least cost alternative. In New Brunswick it is the hydro on the Saint John river and the fact that this work is organized under the New Brunswick Hydro Electric power commission, with all the economies and advantages that go therewith; and in the United States the comparison is the small steam plants that have been built in several sections of Maine by private interests, which are pretty expensive. So you are not making the comparison in Canada on the same basis in this regard as you do in the United States; but there is no alternative.

I would like to make a correction, Mr. Chairman. The alternative that was actually used in this study was not the Saint John river, on which we have not got enough power at site for this purpose; but it was thermal plants built and organized by the New Brunswick Hydro Electric Power commission. May I make that correction, sir?

The CHAIRMAN: Yes.

General McNAUGHTON: The next column gives what might come out of it if you increased the value of your output by using the whole of the Rankin rapids for firming purposes. In that case the benefit cost ratio goes up for the United States to 1.31, and for Canada it would go up to .58—which is a very material improvement. But this does not include the price that we might have to pay for the use of Rankin in that fashion later on to regulate the power plants on the Saint John river; so it is not a clear alternative, Mr. Montgomery.

Then there are other various alternatives. With regard to those benefit cost ratios, I again refer to the fact that they are based on getting our capital, money, paid for at $2\frac{1}{2}$ per cent in the United States, which in these calculations would provide half the total cost of the project. In Canada we would be paying $4\frac{1}{2}$ per cent, I think it is. Money of this sort just does not exist any more. We were told very forcibly in our hearings at Boston that before the commission presented its report to governments we had better straighten out this matter and realize that this $2\frac{1}{2}$ per cent money which the United States government has been making available to hydro electric projects as a matter of national policy throughout the country—and it is said to apply to tidal as well as to river projects—congress was likely to take another look at that, and that interest rate would go up materially. We do not know by how much yet. In Canada we know already that we have to add at least a per cent on, and probably more. So to be realistic in the presentation of our report to governments, commencing in April we are going to overhaul the economics of this project as of the moment.

Please let me say that this does not cause me to pull back any way from the hope I have expressed, that in the years to come, when energy is more expensive and the load is there to be served, tidal power will have an important role. I think it will.

Mr. McGEE: I wonder if I might clarify something you said a moment ago. Did you say that this policy of the United States is said to be applicable to tidal power? Is there some doubt about this?

General McNAUGHTON: No positive assurance has been given on the score. These proposals on both sides have been evolved by thoroughly responsible, competent people who have had the benefit of consultation with the various authorities concerned. In the United States, as we did in Canada, they went to the top of the tree in order to get figures to give the board to incorporate. Those figures were valid at the time they were given, but conditions have changed and the matter needs review. We are going to make that review before we issue our report, otherwise it might be very misleading to the public of the two countries. It may be an unpopular thing to say, but we would be guilty before history if we painted a picture which was not true. Mr. Chairman, I had a question about the fisheries board.

Mr. MONTGOMERY: Mr. Chairman, I have one question before I come to that. Is there very much potential storage in St. Croix river itself that has not been developed?

General McNAUGHTON: Very little, Mr. Montgomery. The commission has taken a look at the possibilities for at-site power all along the St. Croix and also for some change in the levels of the storage. What has actually happened has not been to create new storage. This business of the storage on the St. Croix goes back many years: it antedates our treaty and it antedates the authority of the commission. It was entirely nebulous—nobody knew quite what they were entitled to do and what they were not entitled to do. What the commission has done, primarily, is to clear that up and get it on a well understood, regular basis.

The levels were raised some years ago and the acquisition of the storage rights to those levels is now proceeding. We hope the whole business down there will be tidy and that everybody will be satisfied as a result.

Mr. MONTGOMERY: At the moment there is a certain level, but if it goes above that they are going to have to go around to get the rights again; is that right?

General McNAUGHTON: Yes.

Mr. MONTGOMERY: From many, many people?

General McNAUGHTON: I would think that the storage that is available is just about—

Mr. MONTGOMERY: Right?

General McNAUGHTON: —is just about right for the run-off in the basin. We felt that there could be a certain amount of redevelopment further down, more particularly at the Milltown site, but I was going to report on that at another time.

Mr. MONTGOMERY: Mr. Chairman, I have one more question. I would like to ask how that has affected fishing in the Bay of Fundy. Will this whole project affect the fish to any extent there?

General McNAUGHTON: Mr. Chairman, I made reference to the earlier investigations of the committee and the grave anxieties which the commission and the public held on this matter. That is the reason that we, in the commission, were determined to set up a board of fisheries so that we could obtain first-hand evidence without anyone standing in between us and the biological experts who would do the work.

The early report—and this report was twelve years ago—indicated that the great resource value was in the sardines and that Passamaquoddy Bay was unique in its ability to produce sardines. The assumption was that the sardine eggs were laid, and they grew up in the bay itself. If that was the case, and based on that assumption, it might be a serious business now to interfere with the regime on the Cobscook or Passamaquoddy Bay. The

problem of the fisheries board was to find out whether or not that was true, and the pros and cons of it depended very largely in ascertaining from where the sardines came. These fisheries reports have shown now, in the most conclusive fashion, that there is no spawning of herring in the bay itself; that it takes place to a great extent, along the shore of Nova Scotia, and some come from the George's bank, with which Nova Scotians will be familiar. In any event, these sardines migrate into the bay and benefit from the churned up waters and the algae upon which they feed. That is where they grow to maturity.

As you will see from these reports, the fisheries people set up models, and tested the swimming ability of the sardines to move up against the kind of velocities that would be in the outlet channels. They have tested them by the thousand in the actual turbines which would be used. Fortunately, they are slow speed turbines. The sardines and the anadromous fish go through these without any actual disadvantage. They experience no difficulty in going in and out of the bay. In order to get power the water has to be pushed into the bay, and it has to go out so that you do not upset the regime.

In regard to the very important fishery, sardines, we are assured by the best experts on the continent and, perhaps, in the world, that we need not be disturbed about this possibility. One thing that has been done is that the anxieties of the fisheries people have been set at rest. However, gentlemen, that does not mean to suggest that there must not be compensation paid to the fishery people, because there are other aspects of their resources which must be looked after. One of the important things is that the mouth of the St. Croix is a sort of central place or depot for the lobster trade. They are brought in and impounded in pools, which are kept fresh with the actual flow of the tides. They are inside the area which would be enclosed by the dam. So, one of the compensatory matters that must be raised is in regard to the replacement of these lobster ponds outside instead of inside. We will have our meetings down there on April 22 and we have given full warning to the fishery people, the people particularly concerned with lobster, and others, that we want a fair and frank appreciation of what their problems are. We will hear from some of them when we arrive, and we are looking forward to the information which will be obtained. Our engineers and fishery people will have to study these matters, but the rehabilitation which is required is not a large percentage of the cost of the project. It does not dominate it. This work will do a great service to the fishery people and, despite the fact that we had a contrary report to the effect that proper investigations were not carried out before, we can now be assured that we do not have to worry that the tidal power plants—wherever they are built on the bay—will be destructive to the fishery resource.

Mr. MONTGOMERY: Thank you, very much; that covers it.

The CHAIRMAN: Gentlemen, we have only a few minutes left. We want to adjourn this meeting at approximately 11 o'clock.

General McNAUGHTON: May I deal with the St. Croix matter?

The CHAIRMAN: Yes.

General McNAUGHTON: As I mentioned to you last year, the commission has under study the question of the further development of the water resources of the St. Croix for the production of hydroelectric power and the lessening of pollution in the river; also the possible re-establishment of anadromous fish runs in the streams in an attempt to restore the river as one of the principal salmon streams on the Atlantic coast. The commission was composed not only of hydraulic engineers but of fishery and sanitation experts. I reported last April that the board submitted its report to the commission, and after our briefing session in Boston, the commission held a public

hearing in the area in order to give anyone interested an opportunity to comment on the findings of the board. Following this hearing the commission completed its report and submitted it to the two governments on October 7, 1959. I am advised that this report is now under consideration by the government.

As I said last year, the board recommended that the Milltown hydroelectric site be reserved for redevelopment by New Brunswick. This recommendation was included in the commission's report because other major sites upstream had been developed by United States interests, and the assignment to New Brunswick of the Milltown site, where a Canadian project already exists, would bring about a more equal allocation of hydro power in the river between Maine and New Brunswick.

I would just mention that the boundary waters treaty of 1909 provides that each country shall have equal and similar rights to the use of boundary waters, and that while this is not strictly the letter of the treaty, it is in accordance with the spirit of those provisions.

A United States citizen had applied to the United States federal power commission for a licence to construct a hydro electric power plant, making use of the potential of the head at that Milltown site. But I have learned that the federal power commission, knowing the recommendation of the International Joint Commission, has recently dismissed this application.

Therefore there is at present no known bar to the full development of this site by New Brunswick. Also, I am informed that the New Brunswick authorities have already submitted a plan for a fishway at Milltown, to our federal department of fisheries, and that studies are already being initiated to provide for access of anadromous fish to the river. All this of course agrees with the recommendation of the commission to the governments, and it is indeed very pleasing to the commission to learn that people are already beginning to implement the recommendations that we have put forward.

The CHAIRMAN: Are there any questions on the St. Croix?

General McNAUGHTON: I have nothing new to report on the Saint John river except to say that we cannot get ahead with our Beechwood or at site run of river plants until we get storage. But we hope some day that our United States friends will see fit to undertake in a cooperative arrangement the development of the Rankin rapids and the Lincoln school, and to get over some of the very, very serious difficulties of the white water enthusiasts and others who are standing in the road.

I might venture just a personal statement here, that in this long work that we have been on during the past year of developing, at the request of the governments, principles for the determination and allocation of downstream benefits—and which are in the report which I hope to discuss with you when we meet next, giving the commission's recommendations in connection therewith, we, on the Canadian side, and I am sure also my colleagues on the United States side, have never had out of our minds the thought that while, in the Columbia, Canada was an upstream nation, the role is reversed in a number of other places throughout the country.

In other words, we sought—and we sought deliberately—to produce, for the guidance of governments in the future, and their use to the extent that they feel inclined so to do, a report that we are perfectly happy to have applied, whether we are upstream or whether we are downstream. I have said to our good friends in the power commission of New Brunswick and to the governmental authorities in New Brunswick that we believe these principles we have enunciated are generally applicable and will lead to an equitable and fair result, and could be made the touchstone of these enormous developments to the great advantage of the two peoples.

The CHAIRMAN: I think we have all enjoyed General McNaughton's explanation of the Passamaquoddy and St. Croix, and of the information he has given us just now regarding upstream and downstream benefits.

I want to say to the committee that if any of the members wish to have a look at these reports, they will be in the hands of the committees branch and can be consulted at any time.

This meeting now stands adjourned until 9:30 on Friday morning. Thank you.

The committee adjourned.

HOUSE OF COMMONS

Third Session—Twenty-fourth Parliament
1960



STANDING COMMITTEE
ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

FRIDAY, MARCH 18, 1960

ESTIMATES 1960-61 OF THE DEPARTMENT OF
EXTERNAL AFFAIRS

WITNESS:

General the Honourable A. G. L. McNaughton, Chairman, Canadian Section,
International Joint Commission

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.,
and Messrs.

Aitken (Miss),	Herridge,	Nesbitt,
Allard,	Jones,	Nugent,
Batten,	Lennard,	Payne,
Cardin,	MacLellan,	Pearson,
Cathers,	Macquarrie,	Pratt,
Crestohl,	Mandziuk,	Regier,
Eudes,	Martin (<i>Essex East</i>),	Richard (<i>Ottawa East</i>),
Fairfield,	Matthews,	Slogan,
Fleming (<i>Okanagan-</i>	McCleave,	Smith (<i>Calgary South</i>),
<i>Revelstoke</i>),	McFarlane,	Valade,
Garland,	McGee,	Vivian—35.
Hellyer,	Montgomery,	

Eric H. Jones,
Clerk of the Committee.

CORRIGENDA (*English Edition only*)

Minutes of Proceedings and Evidence, No. 5, March 16, 1960.

Delete "Mr. MONTGOMERY:" and substitute "Mr. MACQUARRIE:" in each of the following: *Page 151, lines 12 and 17.*

ORDER OF REFERENCE

HOUSE OF COMMONS

TUESDAY, March 15, 1960.

Ordered,—That the names of Messrs. Matthews, McFarlane and Payne be substituted for those of Messrs. Kucherepa, Lafrenière and Stinson on the Standing Committee on External Affairs.

Attest.

L. J. RAYMOND,
Clerk of the House.

MINUTES OF PROCEEDINGS

FRIDAY, March 18, 1960.

(7)

The Standing Committee on External Affairs met at 9.30 o'clock a.m., the Chairman, Mr. H O. White, presiding.

Members present: Miss Aitken and Messrs. Cardin, Cathers, Fairfield, Fleming (*Okanagan-Revelstoke*), Herridge, Jones, Macquarrie, Mandziuk, Martin (*Essex East*), Matthews, McCleave, McFarlane, Montgomery, Nesbitt, Pratt, Smith (*Calgary South*), Vivian and White—19.

In attendance: *From the International Joint Commission:* General The Honourable A. G. L. McNaughton, Chairman; and Messrs. D. G. Chance, Secretary; E. R. Peterson, Engineering Adviser; and J. L. MacCallum, Legal Adviser; and of the *Department of External Affairs:* Messrs. J. H. Cleveland, Head, and J. M. Cook, K. A. McVey and D. W. Munro, American Division; and H. C. Kingstone, Legal Division.

The Committee resumed its consideration of the 1960-61 estimates of the Department of External Affairs.

Continuing on Item 105 relating to the International Joint Commission, General McNaughton, being again before the Committee, made a statement on the water resources of the Columbia River basin. He was questioned thereon.

In the course of his statement General McNaughton filed a document, *Abstract of Report to the International Joint Commission, Water Resources of the Columbia River Basin, 1959*, copies of which were distributed to each member present.

He also filed the undermentioned documents which the Committee agreed be printed as appendices to this day's proceedings. (*See Appendices "A" to "E" hereto.*)

Appendix "A" Copy of a letter dated March 9, 1944, to the Secretary, The International Joint Commission from W. L. Mackenzie King, Secretary of State for External Affairs, regarding the greater use of the waters of the Columbia River system.

Appendix "B" Copy of a letter dated January 29, 1959, to the Secretary, Canadian Section, International Joint Commission from the Honourable Sidney Smith, Secretary of State for External Affairs.

Appendix "C" Copy of a letter dated December 29, 1959, to the Secretary of State for External Affairs from Mr. D. G. Chance, Secretary, Canadian Section, International Joint Commission, with a report of the International Joint Commission on principles for determining and apportioning benefits from cooperative use of storage of waters and electrical inter-connection within the Columbia River system.

Appendix "D" Table A, 13 Columbia basin projects recommended by Chief of Army Engineers (U.S.) for "authorization" by Congress (1).

Appendix "E" Table B, Energy potential of U.S. storage projects recommended to Congress for approval (1).

At 11.00 o'clock a.m. the Committee adjourned until 9.30 o'clock a.m. on Wednesday, March 23, 1960.

Eric H. Jones,
Clerk of the Committee.

EVIDENCE

FRIDAY, March 18, 1960,
9:30 a.m.

The CHAIRMAN: Gentlemen, will you please come to order.

At the conclusion of our last meeting I suggested to General McNaughton that, because of the great deal of interest which members have taken in the Columbia river development over the last three sessions when I have been chairman, and the great amount of detail which General McNaughton has given us at other sessions, instead of continuing on from east to west we might start this morning with the Columbia river development. I know that most of you are acquainted with the details, but General McNaughton will be able to fill in. I know there will be many questions because of the interest which various members have shown in this particular development on the Columbia.

General the Honourable A. G. L. McNAUGHTON (*Chairman, Canadian Section, International Joint Commission*): Thank you, sir.

Mr. Chairman in turning now to the Columbia, you will recall last year I tabled copies of the report of the International Joint Commission, United States and Canada, on the water resources of the Columbia river basin, prepared by the international Columbia River engineering board dated March 1, 1959.

The verbatim record of last year's meeting of the committee's proceedings does not indicate that appendix VI of the report was also tabled and, with your permission may I now table it. This is appendix VI to the report I tabled last year. It gives in great detail the calculations in the power studies, regulations, and so on. The information in that report needs to be read along with the text of the main report which members of the committee already have.

I would like to mention that the other appendices are nearing completion and at least two of the remaining five will be formally presented to the commission at our meeting in Washington in the second week of April.

I mentioned last year that an abstract of the report of the board was being prepared and although some of the members may have a copy of this abstract I have brought here today an additional 35 copies for presentation to the committee. I hope this might be a matter of convenience to the members. This abstract contains the essential information found in the main report, but if any member wishes to review the details of the main report we still have a few copies which can be made available for inspection.

As I mentioned last year, the commission met in Chicago in March 1959, to hear detailed explanation of this report from the engineers and other experts who prepared it, that is, the members of the international Columbia river engineering board and its working committee, which on our side included members from the various departments of government of British Columbia who are concerned. All aspects of the report were very fully covered at the time, and the information and explanations given to the commission have been most useful in our subsequent studies in preparation of the report which we will eventually make to the governments in response to the reference of March 9, 1944.

Mr. Chairman, I have here a copy of that reference which members may like to have and which because of the very specific instructions given to the commission by the two governments it might be well to have published, if I might suggest that.

The CHAIRMAN: Is it the wish of the committee to have this as an appendix to today's report?

Agreed.

General McNAUGHTON: Mr. Chairman, in the International Joint Commission discussions it had become evident that before we could make much progress in the preparation of our report we first needed a definition of what constituted downstream benefits, and a comprehensive set of principles by which these benefits could be determined and allocated between the two countries. As a result, on January 28 and 29, 1959, respectively the governments requested the commission to recommend principles to be applied in determining these matters.

I would table now a copy of the letter which was directed to the commission and the set of principles which were prepared and the letter which transmitted it to the government. A similar letter was dispatched to the State Department by my colleague the chairman of the United States section of the International Joint Commission on the same date, 29 December 1959.

The CHAIRMAN: Is it the wish of the committee these two documents be included in our minutes of proceedings and evidence?

Agreed.

(See Appendices "A", "B" and "C" hereto.)

General McNAUGHTON: Throughout the past year this request of the governments was given close study at frequent intervals at special meetings for that specific purpose, and whenever the commission met on other problems.

Finally on December 29, 1959, the report was filed in Washington and copies dispatched to the governments. I understand copies of this report have already been made available in English and French editions to the members of the House of Commons, but if it is any convenience to the members of this committee we have brought a few extra copies which can be distributed to anyone who wishes. The presentation of this report marks a definite stage in the completion of the Columbia reference.

The next step in the long road to the solution of the Columbia problem lies with the international negotiations now going on in respect to the cooperative arrangements to be adopted in the Columbia. As I have mentioned these are matters in which the International Joint Commission is not directly engaged at this time and, in consequence, there is nothing I can say in regard to them.

What I can do, if members wish, is to give an explanation of the principles. Perhaps this information might be helpful in relation to any reports which the governments may issue subsequently in respect of the negotiations. I am also prepared to take up any matters relating to the report of the international Columbia river engineering board which presents the physical facts of the basin and to explain the considerations which led to the formulation of the principles which we have recommended to the two governments in the report of December 29.

In this respect I must say that any comments I may make and answers to questions must be related specifically to discussions in the commission and not to the present negotiations which are the direct responsibility of the two governments.

Mr. Chairman, if that is agreeable, before proceeding to explain the recommendations which have been made by the International Joint Commission, I would like very briefly to outline the topographical and hydrological conditions in the Columbia basin and other matters related thereto, and to indicate the nature and the extent of the co-operative arrangement under which it seems possible that Canadian storages could be constructed and operated to provide very large benefits in power and flood control in the United States, and for which, in equity, due recompense might be made to Canada in accordance with the principles in the form of a half share of the increase in downstream power consequent on the Canadian storage, and as a cash payment basis on an actuarial calculation of the value of one-half the average annual flood damages prevented by the use of Canadian storage in the control of floods, to the benefit of the United States which, in brief, is the fundamental matter dealt with and provided for in the principles which have been submitted.

Mr. JONES: In looking at some of these principles I notice, in certain instances, they are rather general, and I was wondering if the General, in the course of his explanation, would indicate whether, in his opinion or in the opinion of the International Joint Commission, these principles should be applicable on a wider scope than the Columbia river project itself.

General McNAUGHTON: I would be glad to answer that, if I may, Mr. Chairman.

If you will refer to the letter from the two governments you will note that the task which was assigned to the commission was a particular task related to the Columbia basin and, in response to the request of governments, these principles were conceived and developed in specific reference to the Columbia. Therefore, it is only incidental that they might have an application in other areas of the country where, perhaps, Canada may be the downstream in place of the upstream country.

You will recall, Mr. Chairman, that at our last sitting I ventured to express a personal opinion. Of course, I could not express a concerned opinion of the commission itself because these matters and principles have only been formally considered in relation to the Columbia. However, I venture to express the opinion that we have in the commission responsibilities in connection with all watersheds which may be referred to us.

Canadian members are very conscious in regard to another very important basin in Canada, namely the St. John. These Canada is the downstream country and, with these responsibilities which are very much in the mind of the Canadian commissioners, naturally we have not sought to produce a document and a set of principles which would constitute an unfortunate precedent, if I may put it that way, when we are dealing with another aspect. We felt that whatever we put up to the two countries for approval we should be mindful that we have general responsibilities, and the principles should be kept as general as possible.

I personally, and some of my colleagues, have looked at these principles from the point of view of a downstream country; and we feel that they could be applied there with complete equity to both sides, just as we felt they could be applied with complete equity to both sides in the Columbia basin itself. Does that answer your question?

Mr. JONES: Yes. Thank you, General McNaughton.

General McNAUGHTON: I would like to have charts put up, showing the typical flows in the Columbia basin and the annual flows over the recent period of record.

As the chart is not too legible at the other end of the room, I would ask Mr. Peterson if he would mind pointing out the first chart—the kind of variation in flows and conditions we have to meet.

The navy line on the upper chart shows the flow year by year for the period from 1928 to 1948. The average flow during that period is shown by the straight line, and it comes to 66,500 cubic feet per second for a total run-off of about 48½ million acre feet.

This chart has been prepared to show the flow and discharge at the Murphy Creek dam site on the lower Columbia. Murphy Creek is near Trail. These are average figures. Also, we felt that we should put out the figures of the high years; and the upper curve, which Mr. Peterson is outlining, represents the maximum year of record in so far as we have it. The lower curve is the minimum year of record. The average experience is shown by the middle curve.

Now, gentlemen, you will note from those curves that in the Columbia basin the flows in the four months of April, May, June and July are large and, in total, constitute about 70 per cent of the annual run-off. During the eight months of autumn, winter and early spring the flows are small. In consequence of this very non-uniform distribution of flow, in time the provision of storage to regulate or even out the flow is a most important aspect in the efficient development of hydroelectric power. Reservoirs, with storage capacity available, will be able to conserve the high summer flows and make releases to improved conditions in the winter. Consequently, in the spring, during the course of normal operations for power production, the reservoirs will be drawn and space will be available to intercept the flood flows which then occur. Thus, in the characteristic conditions of run-off in the Columbia river basin the routine operation of reservoirs for power benefits provides, incidentally and consequentially, for flood control. As a result, appropriate arrangements for use of regulated flow—for power may be developed in confidence that later they can be adapted suitably for flood control. The following discussion, for simplicity of presentation, will deal, therefore, directly with the power benefit aspects of the upstream storage only.

The commission has before it the report dated March, 1959, which was made by our international Columbia river engineering board pursuant to the directive given by the commission for the conduct of the various investigations and studies which were required by the reference from the governments of March, 1944. Mr. Chairman, this is an authoritative report, produced as a result of fifteen years investigation and study, and at the cost of many millions of dollars. The Canadian expenditure alone is in excess of \$4½ million.

I would like to say that it is prepared by the best experts on the North American continent that we have been able to bring together—thanks to the provision in the reference that the commission was to call on any expert they felt needed, either from the public service of Canada or United States. I might mention that the Canadian chairman is the chief engineer of the water resources branch of the Department of Northern Affairs and National Resources, Mr. McLeod, and—to show the importance attached to this matter—the chairman of the United States section was the Division engineer for the army in the Pacific northwest, General Itschner. When General Itschner was promoted from the position of Division engineer in the Pacific northwest to becoming chief of army engineers, he himself retained the chairmanship of the United States section of this board. I think what I have said gives evidence of the authoritative character of this investigation and report.

This report gives evidence that downstream in the United States the heads on the main stem of the Columbia river are approaching complete utilization, with a realization in the near future of some 1,210 feet out of a total elevation above sea level of 1,288 feet at the boundary.

On the other hand, progressive development of the valley bottom lands for cities, towns and villages, for industrial use, for irrigation and farms; of

rivers and lakes for recreation, for fish and wildlife, et cetera, has proceeded rapidly and very extensively in the United States, with the result that the cost of providing additional storage in the United States has now become very large. The practical possibilities on the main stem of the Columbia have been, or are about to be, all taken into use to provide head at the various generating plants which follow one another from Grand Coulee to Bonneville, with the tailwater of one plant becoming the full pool level of its neighbour downstream. The value of the head for this purpose is so great that draw-down for storage release is a relatively uneconomic procedure.

The majority of the remaining sites on tributaries to the Columbia river in the United States portion of the basin are also expensive and of limited capacity which has been still further restricted by competitive uses for fish, wildlife and recreation, in which fields the opposition to power development is strong and vocal.

On the other hand, upstream in Canada the hydro-electric development of the main stem of the Columbia—I think we could have that map back, if I may, please—and of all but one section of the Kootenay—and would you mind, Mr. Peterson, pointing at the various points as I mention them—has not yet even been started; on most of the tributaries only a beginning has been made with some run-of-river plants. Moreover, the municipal, agricultural and industrial developments are generally as yet in early stages.

In consequence the situation provides flexibility for the effective planning of hydro-electric developments, with the possibility of placing the reservoirs high up in the basins where the energy stored in the water for service to downstream generation will be maximized in relation to supply.

The important fact to be noted in regard to the report made to the commission by the board in March, 1959, in regard to the possibilities for cooperative arrangements for the use of regulated flows from upstream storage to increase power benefits downstream is that very extensive sites for reservoirs are available in Canada at moderate cost for flowage and construction. An analysis of this report shows that up to about 26.4 million acre feet of usable storage could be provided in Canada for an estimated capital expenditure of \$659.1 million.

In the United States' portion of the basin the storages likely to be available practically are thought not to exceed perhaps one-half as much as is the case in Canada. Moreover, the capital costs for the provision of storage reservoirs in the United States which are listed in the board's report of March, 1959, and which are included in those which were proposed by the U.S. army engineer of the Pacific northwest division for early construction, total \$1,338.6 million for only 12.6 million acre feet.

The cost of associated power installations are included in each case, namely, 2,214,000 kilowatts in the United States and 1,986,000 kilowatts in Canada.

From these figures it appears that the over-all cost per million acre feet in the United States is therefore about \$106 million, and in Canada the corresponding figure is \$25 million. The ratio of these unit costs is as 106 to 25, which is $4\frac{1}{4}$ to 1. That is, the Canadian costs per unit of storage and associated generation, viewed from the over-all basin point of view, are less than a quarter of those in the United States.

Mr. Chairman, I might mention that it was announced in the *New York Times* of January 17 last that the chief of U.S. army engineers had asked the United States congress to authorize 13 projects in the Columbia basin which would provide a total of some 13.048 million acre feet of storage usable for power and flood control. The installed capacity would be 1,777.3 thousand kilowatts initially, and this might be increased later to some 3,050,000 kilowatts.

This program is in addition to Libby on the Kootenai which, on the recommendation of the U.S. army engineers, was authorized by congress in 1950. Libby is a project which floods into Canada and which cannot, of course, be built—in the ultimate analysis—without the approval of the International Joint Commission or by special agreement between Canada and the United States; so the use of the word “authorized” by our United States friends is a somewhat ambiguous and, I think, rather unfortunate term.

Mr. Chairman, a bare press statement is not in itself, of course, of much assistance in obtaining a concept of the changes which the U.S. army has now proposed in the developments indicated in the report of March, 1959, which would necessarily be associated in a plan of cooperative development with Canada in the Columbia. Accordingly, I have had the list given by the chief of army engineers compared with what is known as the United States “308” report issued in June of 1958. These figures are tabulated in this table which I have marked table “A” and which, together with table B attached, Mr. Chairman, I think the members might find convenient to have reproduced in the record of today’s proceedings for future reference as the occasion may require.

The CHAIRMAN: Does this meet with the approval of the committee?

Agreed (See Appendices “D” and “E” hereto.)

General McNAUGHTON: Table B gives the usable head and stored energy in the several U.S. storages which are now proposed.

You will appreciate that the value of a reservoir is proportional not only to the amount of water conserved, but also to the head at-site and downstream through which this water can be used in the various plants, in succession.

From the figures I have given orally it will be noted that the new U.S. proposals represent some reduction in United States costs and a small addition to the usable storage as compared with previous proposals given in the board’s report. However, the ratio of overall costs of these and of available Canadian storage projects remains at over 4-to-1, so I will not be in any serious error if, in my discussion with you today, I continue to make use of the detailed figures which are given in the report of March 19, 1959. In any event, these are the latest internationally agreed figures which we have.

With such a very low cost for Canadian storage—both in absolute measure and relatively to the costs for like services of regulation in the United States—cooperative arrangements for the use of these Canadian storages present, therefore, a remarkable opportunity to realize not only very large increases in firm power production downstream in the United States portion of the Columbia basin, but also that this result may be achieved at exceptionally low cost.

Therefore, this represents, in the view of the commission, a highly profitable arrangement for both countries, in which each would benefit greatly and substantially equally.

In the conditions existing the favourable possibility exists for extra generation, up to a total of about 2 million kilowatts of firm power, by making use of some 18 million acre-feet of upstream storage in Canada. As I will explain later, above about this amount the progressive decline in the relationship of added firm power to usable storage employed imposes rather sharply increasing costs for storage.

This general analysis of the particular relevant conditions in the Canadian upstream and in the U.S. downstream portions of the Columbia basin emphasizes the importance of the considerations advanced by the international Columbia River Engineering Board, namely that first consideration should be given to analysing the possibilities of a cooperative arrangement on a system basis, so that the best projects may be selected, and that in this selection, first by “arrays” or “sequences” and then, within the sequences, by “individual

projects or alternatives," the principle should be followed that orderly development of the water resources of a basin normally requires that the most economically attractive projects should be developed first. This, I may say, is Conclusion (r) given in ICREB report of March, 1959, a conclusion which has been wholeheartedly accepted in the commission itself.

It follows, therefore, that in the interests of the peoples of the United States and of Canada, in order to realize the immense savings which are possible, storage projects to be added to the existing base of 13.03 million acre-feet should be selected in the order of their highest benefit cost ratio.

I must emphasize that there is considerably more storage potentially available in the basin than can be used economically, and the use of even a relatively small amount of expensive storage will seriously compromise the economics of the Canadian proposal for cooperative use.

It is to be noted that in such an arrangement most of the storages selected will be in Canada, but it is these storages, alone in the basin of the Columbia, which have the advantage of very low cost and the employment of which will result in many hundreds of millions of dollars of capital savings to the people of the United States, with like benefits to the peoples of Canada, obtained through a specific period of years by the delivery of considerable quantities of firm power at low rates.

Mr. Chairman, the large volume of storage which is under discussion could not, of course, be created all at once, nor could it be used except progressively to a schedule laid out over a period of a decade or so.

In such an arrangement one of the most important aspects to the upstream country is the timing of construction of the several individual storages, in order that they may be available at the right time to serve the load as it develops in the downstream country, and to minimize the carrying charges on the large capital investments which must be made.

The result is that in the early period of construction and development, the long-term results which are sought of at-site power production and of downstream benefits to Canadian plants of the upstream storage in Canada should be kept constantly in mind.

The timing of the several projects requires adjustment, to minimize the out-of-pocket expenditures, while the only source of revenue or return to Canada is to be derived from downstream benefits in the United States.

Mr. Chairman, the general principles which we have proposed, which have been proposed by the International Joint Commission to the governments is in our report of December 29, 1959.

I think it would be reasonable if I dealt with one or two aspects of these principles which are more important; and then, if you wished, I could put myself at the disposal of the committee to endeavour to answer specific points on them which members may wish to raise.

I think, in the time available, that might be the best means of focusing attention on the particular points which members would like dealt with, because to go over each of the principles individually, and to take them up, would take very considerable time, I think, and it might lead to a lot of presentation on my part that was not really required.

The CHAIRMAN: Mr. McFarlane has a question.

Mr. McFARLANE: Mr. Chairman, could I ask the witness if the reports of the Montreal Engineering Company on the Columbia river basin are going to be available?

General McNAUGHTON: Mr. Chairman, the report of the Montreal Engineering Company is not a report which is at the disposal of the International Joint Commission.

It was arranged by the government of Canada and a report was made to the government of Canada. The commission has been privileged to have access to that report as some information to be taken into account. But it is not our report and we do not control it.

Mr. McFARLANE: I have two other questions. How about the report of March, 1959? Is it going to be made available?

General McNAUGHTON: The main report of March, 1959, was tabled by me in this committee at the session in April of last year. Appendix number 6 has today been tabled. I hope also the five other appendices which are under preparation by the Board for the Commission will be made public documents.

It is our constant practice in the commission, in connection with these reports with respect to water power and power conditions and so on, that the board makes its report to the commission. The report is not owned by the governments at that stage but by the commission collectively. After the commission has had an opportunity to go into and to analyse it with the experts themselves, not to endorse the report but to be satisfied that it covers the field, the procedure has been followed, and it is invariably the practice, for the commission to make these reports available to the public as a preliminary to public hearings which may possibly be held. The report has been made available to interested persons and therefore this is a public document.

Mr. McFARLANE: Would it be possible to have the budget figures of the International Joint Commission from 1944, and also the amounts that have been spent on the surveys and so on of the Columbia river basin?

The CHAIRMAN: Would you please repeat your question, Mr. McFarlane?

Mr. McFARLANE: I am sorry, but would it be possible to have the budget figures? I understood General McNaughton to say yesterday that work on the Columbia river had been curtailed to a certain extent because of an insufficiency of funds to do the work that was desired to be done. Would it be possible to have the budget figures from 1944, and also the amount spent on the Columbia river basin?

General McNAUGHTON: I think there would be no difficulty in providing those figures at all. It is merely a matter of extracting them from the public accounts, and if you so wish, the staff will be asked to provide them.

As I recall it, I did not say that we had had difficulty in financing the Columbia investigation. I think I said at the time that I was speaking in regard to the prospective investigation on the Alaska-Northwest frontier, and on the panhandle, where it was not lack of money that held us up, but the fact that the skilled personnel that we wanted were simply not available. They were working on other projects which we have, such as the Passamaquoddy, and on the Columbia itself. It was a shortage of personnel that we were up against there.

Mr. McFARLANE: I am sorry that I misunderstood you.

General McNAUGHTON: No, we have had wonderful support in carrying out the work under the reference of 1944; and there again, as members must know, we had to start from scratch. We did not have the topographical maps of the rivers in our own country; we did not even know the elevations and the critical points along the river, or the volume of flow, or any of that information at all.

The staffs we have had have had to dig down to obtain the hydrological, topographical, and other information about the basin right from the bottom up, and it was not until we had that information that we could seriously come to grips with this problem of the Columbia, either in the board or in the commission itself.

We are not complaining, but I would just like to say that the task was an immense one. With tasks of that order the answers cannot be obtained at the call of a whistle.

Mr. CARDIN: Mr. Chairman, I wonder whether the General could clarify a statement he made a short time ago concerning the Libby dam project. I think he said that according to the newspapers Congress had authorized the Libby dam. If I recall it correctly, the dam is supposed to contain a border reservoir, and normally Canada should be consulted in this matter. Did I understand the general correctly when he stated that Congress had authorized the Libby dam project?

General McNAUGHTON: I think it is very fortunate that I made that little preamble statement this morning in which I explained the meaning of the word "authorized". That word has been used by the United States, and on many occasions I know there has been a great deal of trouble, just as Mr. Cardin has mentioned here.

Authorized is a technical term used by the Congress of the United States to say that a project is generally accepted and that the engineers can go ahead with their detailed designs, knowing that eventually Congress will take it up and provide the funds for it. It does not mean that they can go ahead and construct it. It merely means that it is sort of on a preferred list for construction eventually.

The word "authorized" being spread about and not always associated in the presentation with this authorization by Congress has caused a great deal of misconception and concern to people in Canada. I suppose on scores of occasions I have had to give, of necessity, the same explanation I am giving to Mr. Cardin at this moment.

Mr. CARDIN: I apologize. I was a little late in arriving this morning and I missed the General's explanation of the word "authorized". But if I am not mistaken I believe the Americans have this project very much at heart, and I think they consider it as being an essential part of this whole Columbia river project. If I recall correctly last year the Canadian partners were not so keen on this Libby dam project. I wonder if the Americans are making this Libby dam feature a condition of the project?

General McNAUGHTON: In reply I can only tell you about what happened in the International Joint Commission. What happened in that negotiation is something else again of which I have no information to produce. But I can say this that the application following this authorization by Congress occurred in 1950; an application was made to the International Joint Commission under article 4 of the Boundary Waters Treaty.

Article 4 of the Boundary Waters Treaty confers jurisdiction on the commission to pass on any project of a boundary water on a river flowing across the boundary in which a dam would have the effect of raising the levels to an upstream country.

The application was made in 1952 and was taken under consideration in the commission at that time. At that time the Canadian section of the commission had to point out that the proposal and the supporting evidence had not taken fully into account the immense benefits that might be achieved by the flows at that point in the river which could be used to better advantage in Canada itself. The result was that the commission was not prepared to take the very grave responsibility of passing those Canadian resources over to the United States for exploitation.

Now a little later, the United States, I think partially as a result of the evidence acquired in the commission, withdrew that application because they found that the effects in the United States itself, notably on the flooding out of

railway lines and roads in some communities around there, were more than could reasonably be accepted by them. The application was withdrawn for reconsideration.

The application was resubmitted in 1954, two years later. Again, counsel appearing before the commission for the government of Canada pointed out that we now had very extensive investigations going on as to the use of these waters ourselves, and that speaking for Canada they were not willing either to accept or reject. In other words it had to be put to one side until Canada and British Columbia had a chance to decide what use they could make of those waters themselves, which they had a perfect right to do.

I might go one stage further in this Libby matter and say that as a result of the Canadian studies, when we found that the topographical information which had been gathered under the auspices of the Columbia River engineering board was approaching a conclusion, we had to take preliminary action in the commission to decide what sequences should be the study of particular evaluation.

If you look at these maps and the charts which will be placed on the wall you will see there were in general three routes through which the Kootenay river flows which needed to be taken into consideration and evaluated thoroughly before the conclusions could be reached.

Now our United States friends—it is natural they should—would wish us to hand our resources wherever they could persuade us to do so. There is nothing, shall I say, deleterious, or any question, about that. The resources are very valuable not only in the present but in posterity; and posterity is a mighty long time. Had we consented to Libby then we would have put, what my lawyer friends call a servitude on Canada, and I believe that the names of the members of the Canadian section of the commission would have been, shall I say, notorious in posterity for parting with valuable considerations for no proper return.

Mr. McCLEAVE: Legally speaking any arrangements the International Joint Commission makes constitute a servitude on the other country. They are more concerned with the quid pro quo.

General McNAUGHTON: I would not like to say any arrangement. The jurisdiction which has been conferred on the commission by the treaty, and ratification in our case by parliament, is very specific indeed. It is only in particular instances such as article IV cases and the like that the commission has specific jurisdiction. Other than that the action of the commission is usually pursuant to article IX which calls for the commission to make advisory reports to governments and it is very specifically provided in article IX that these reports and recommendations are not to be deemed to predetermine the matters that are there. It is reserved to the governments to do that.

I might explain this further. In the case of the Columbia reference we have two specific sets of authorities under which we have to work. The first is the reference of 1944. The reference is an article IX reference in which the commission is called on for advisory reports and recommendations which have no validity at all as binding documents or anything like that. Any validity will be given to these reports by subsequent action of the two governments in the negotiations. For example, it happens that this question of Libby is before the commission under article IV of the treaty, where the commission might in the judgment, wisdom or non-wisdom of the commissioners, have dealt with it, and whatever action the commission took by way of issuing an order would have been a binding document.

I would like to say that in 1954 when the United States had composed their differences in respect of the flooding south of the boundary in their own country they had agreed to move the Libby dam site some $4\frac{1}{2}$ miles further upstream so as to have it free of any flooding of the Fisher river which was

causing concern. They resubmitted the application and by then our own studies had progressed to the point that we in the commission were satisfied we had a wonderful opportunity to use these flows ourselves, had every opportunity of doing so, and were not prepared under any circumstances to take the responsibility of donating—and I say that advisedly—these resources to our friends south of the line. We were perfectly entitled to use them in Canada.

The result of that was, when it came to the commission to determine the layout of the investigations to be carried on in respect of this report, we made it clear that one of the sequences which had to be studied would include the use of the waters in Canada. Therefore, we have three sequences or studies which are reported on here.

Sequence VII makes use of the flows of the Kootenay river in Canada itself. It flows down the river to the boundary, then you come to the Libby dam site where Libby dam would be built. Incidentally, there would have been another dam built not quite up above the Bull river at that point, but that would not have involved any diversion out of the river. You will note that the Bull river controls the flow of the principal tributary, the St. Mary river. It is above the Bull river itself and also above the Elk river, both of which are important tributaries. Below the Libby dam there is a site at Kootenai Falls with some 650 feet of head there which might be developed, and there were some other sites in United States down the river which were under consideration. I might mention that this loop has important power possibilities because the elevation, from the crossing out of Canada into the United States at that point to where the river again enters Canada to the south of Kootenay lake, is 565 feet.

Perhaps at this point I might mention the reason the United States was anxious to have the Libby project approved was that the elevation available for development from Libby to the boundary is only 190 feet. The United States engineers felt that we might donate them the 150 feet of head which is between the boundary on the tail waters of the Bull river dam.

That would make a total of 340 feet of head for Libby and, despite the tremendous cost involved for relocation south of the boundary, my good friends thought they had a viable project.

Most of the costs in connection with the Libby dam are flowage costs of the project and, as it stands before the commission, would cost a total of some \$324 million.

Now, one of the things which we asked our American colleagues on the board to assess is what they could do merely with flooding to the boundary and, also, since we had a power site up above, which will show on the next chart, whether if we gave them the head to the tailwater of the Dorr, whether that would not make them a project with which they would be content. Those propositions were investigated and the answer was that Libby, flowing to the boundary, was completely uneconomical. There are main line railways running through there. The Great Northern has a road bed which is built substantially at water level through that pass and, even with 50 feet or so of head would mean that many miles of railway would have to be torn up and relocated on the mountain side, which would involve continuous rock cutting and so on. It would prove very expensive at this time. Our American friends could not make an economic project as a result of flooding to the boundary. They did the same thing with the addition of the 37 feet of head which might be available in Canada between the boundary and the tail water of the Dorr. Here again, by their own statement, the project is uneconomical. Whether it would be an economical project if they were to receive 150 feet of head, given by Canada in perpetuity, is very much a question of doubt in regard to the economics of it.

As I say, that proposition cost some \$324 million. It gives either 4 million or 5 million acre feet of usable storage, depending on the draw down that is agreed to in regard to the reservoir and, if the same amount of storage can be produced above the Bull river site, by the Bull river-Luxor reservoir, for about \$110 million then, as far as downstream benefits, flood protection and service to the public downstream is concerned, the same benefits can be achieved by use of Canadian storage for something of the order of one-third over-all. It is true that those benefits, to a large extent, are retained by Canada—except, of course, we have agreed in principle that half the downstream benefits in the United States should be retained by the United States and half come back to Canada for our services. Some of us feel, in this particular case, that this is a place where we should hang on to our Canadian resources. As good neighbours, I think we should look after and give adequate flood protection, as indeed we have with the Canadian proposals. And the matter should be handled cooperatively but without any handing over of these immensely valuable water resources from Canada to another country.

Mr. CARDIN: Would it be fair to say that prior to the negotiations the Americans, in spite of the cost that Libby dam might involve, were still interested in the Libby dam project, but the Canadian members of the International Joint Commission were not willing to hand over our resources? Would that be a fair statement?

General McNAUGHTON: I would not dispute that statement, Mr. Chairman.

Mr. HERRIDGE: Mr. Chairman, as you and General McNaughton know, I have lived on the banks of the Columbia nearly all my life, and my constituents are particularly concerned with various aspects of this development. As a result, for the last six weeks I have received hundreds of letters from individuals, chambers of commerce, farmers' institutes, women's institutes, rod and gun clubs, associations, various companies, people interested in the tourist business, and a good number of other organizations, from the international border to Revelstoke and over as far east as Creston. Also, I might say that practically every letter I received expressed great confidence in General McNaughton and these people are very interested to hear his opinion.

Some HON. MEMBERS: Hear, hear.

Mr. HERRIDGE: These are not only my constituents, for the people of the whole of southeastern British Columbia and British Columbia itself are very concerned and interested in these proposals. The people I represent are particularly anxious to know about and get facts on every aspect of the development, including the value of the various proposals, their value to Canada and the district and the impact on the local economy, on the people and their daily lives.

Mr. Chairman, I am taking a little time because this is very important to my people. I want to read one resolution and then ask General McNaughton a question. This resolution is from the Castlegar and district chamber of Commerce and it was passed on January 26, 1960. The Nakusp chamber of commerce passed a similar resolution—perhaps a somewhat stronger resolution—and other organizations have done the same. It gives the attitude of the people:

WHEREAS there are many very weighty and obvious reasons, both commercial and academic, why High Arrow dam flooding should not be countenanced and,

WHEREAS we have not to date been given one, properly and substantiated, good reason why such flooding should be considered, therefore,

BE IT RESOLVED that the Castlegar and district chamber of commerce is opposed at present to any plan which includes the construction of the High Arrow dam and further

BE IT RESOLVED that the Castlegar and district Chamber of commerce would not oppose a Low Arrow or Murphy creek plan.

I might say that the people want to do what is in the national interests of Canada; they are not looking at it just from a local point of view or just because of local damage, but they want to know that if local damage does occur, it is in the national interest.

In view of that general attitude my question is: what are the properly substantiated and good reasons for the flooding of the Arrow lakes, that would result from the building of High Arrow dam? Also, they are very interested in the relationship between Mica creek, High Arrow and Low Arrow in connection with the proposals mentioned in the report.

General McNAUGHTON: Mr. Chairman, through the courtesy of Mr. Herridge I was provided with a copy of the Castlegar and district chamber of commerce resolution of January 26 to which he refers. I would like to say that I am in some difficulty in knowing how to answer Mr. Herridge's comments, because a full answer to those questions requires not only information that we have in the commission as a result of the commission's inquiries and which, as I have mentioned, is a matter for the commission to make use of for the information of this committee of the House of Commons. There is no difficulty about our information. The difficulty is that the whole question of the location of the storage projects which are to be adopted is not one for the determination of the commission.

We are operating upstream in these cases. We have some jurisdiction in regard to Libby: we have no jurisdiction over the High Arrow storage to which Mr. Herridge has referred. That storage is a matter which is within the unrestricted authority of the two governments in Canada, each in its proper field, the federal government at Ottawa and the government of British Columbia. All the commission does in these matters is provide what it can in the way of information in the nature of an advisory report; and on top of that we have also provided in the commission, with the complete agreement of our United States colleagues, a set of principles which we think both governments might find to be of advantage, to apply to the solution of these difficulties.

If you look at our principles, I think the actual point is expressed very well there. The question of the determination and the nomination of the particular storages to be built is a matter for the governments of Canada and of British Columbia, working in cooperation, in regard to the flowage which comes into Canada. It is not within the authority of the commission itself to do more than try to get all the information we can available and to present it to these governments for consideration.

I would like to assure Mr. Herridge that the commission has looked most carefully at the high Arrow storage, and I would like it to be understood that in what I am saying now I am speaking as a member of the commission, and in that capacity.

You will find in this international Columbia river engineering board report constant reference to the physical characteristics and usefulness of these storages at High Arrow and Low Arrow, and the combination with Murphy creek, and so on. That is statistical information given to answer the specific questions that have been raised.

It would not be right or proper for me to imply that information compiled and studies carried out in order to get specific answers to specific questions will cover the whole field. You will see that reflected all the way through

the principles we have put up to the two governments, that these are what I call "real" factors, as distinct from sovereignty and the intangibles. These give you a proper basis of initial approach. But when people have—as, indeed, our negotiating groups now have—a responsibility for determining matters they must take other aspects of these things into consideration.

You will recall, at the end of the first section of my remarks, I made some reference to that very fact, that in the Columbia, as far as Canada is concerned, we have got, in the various sequences, which have been read out—sequence No. VII without any diversion, sequence No. VIII with a partial diversion, and sequence IX with the use of all except flows which are necessary to keep a live stream flowing across the boundary—wonderful possibilities for both Canada and the United States.

I outlined those possibilities at the time of our April meeting, on April 23, and I had sufficient of this information to put those factual aspects of it before this body. If you turn to the minutes of proceedings and evidence, No. 7, of April 23, 1959, you will find three tables attached to it which show what these various possibilities are.

Those benefits and costs are assessed on the basis of a system study, and represent the contribution of the public of both countries. There is no attempt in those to make a division between the two countries.

You will see in sequence IX, particularly, we provide eventually for very nearly 4 million kilowatts of installed capacity¹ in Canada—just to give you a sense of proportion.

When one comes to consider the magnitude of those projects—which would involve 20-odd million acre-feet of usable storage in Canada, and an investment which would approach \$1 million—one realizes these investments have got to be made over a period of a decade or more. Whereas, in the commission's report, we had to study this matter just looking to the determination of the eventual benefits, on the basis we had of the projects put in. We could not do it with a time schedule because there was no means of determining a time schedule.

The reports and information we give have to be looked at most carefully, from the Canadian point of view, to see that the timing of these developments fits closely in with the market for the one product that we have in that early phase, and that is regulated flow. That is the only source of our revenue. We must not build anything ahead of time; otherwise, with these very large amounts of capital expenditure, the whole economics of the project would be destroyed.

At this stage—and I am free to say this because it is a matter of public record, on the basis of all projects being added simultaneously, that the addition of the High Arrow storage into the sequence, which is described as sequence IX—the sequence without the High Arrow is sequence IX (a) in this book—adds very little. It is put down as a matter of record that High Arrow adds nothing to the 20-year output from the point of view of Canada itself. In fact, it increase the unit costs of the incremental outputs because it blankets out to a certain extent the operation of the Mica dam upstream, and draws off quite a lot of benefits that otherwise might go to Mica. It is summarized in the board's report in paragraph 244.

Perhaps Mr. Herridge would like to make a note of that paragraph. With your permission I shall read it. Remember, gentlemen, that this report is a report of the most knowledgeable people in the North American continent on this particular problem.

Paragraph 244 of the board's report reads as follows:

The inclusion of High Arrow in any of the plans provides no net increase in the 20-year output in Canada, but increases the critical-period average output by about 27 megawatts. In the United States,

however, High Arrow adds about 164 megawatts to the critical-period average output and 196 megawatts to the 20-year average output. The net result of including High Arrow is that unit costs of the incremental power outputs are increased in Canada and decreased in the United States.

I would like to emphasize again that that section recorded by the board is based on what we call the simultaneous approach, which was the only one open to them; that is, all the projects were taken into account at the same time. But it does not take into account, and it could not take into account, all the variations which the negotiating men of course make in looking at these things from the ordinary point of view of a schedule of construction and timing. These things have to be worked out with only one source of revenue, and that is the downstream benefits from the United States during that initial period.

The thing on which we depend to get the Columbia project in Canada as a whole—to use a term used by some of my engineering friends—is to get it off the ground, to get the flow going. Once we have it going and developed and all the rest of it, we have no doubt whatsoever of its proving to be thoroughly economic—and not only thoroughly economic, but the fact is that it will present to British Columbia the lowest cost power which would be available over the next quarter of a century or so. The starting period is the one which gives us trouble, and this starting period is a matter which the negotiators must look after themselves. It is not up to us, and I do not think at this stage we should try to restrict their hands. It is not our business to determine the projects for storage. Those are matters for the governments to determine.

I would like to refer to the fact that we have it from public records that most anxious consideration is being given to the flowage of these various projects and to the disadvantages which might occur to people in the region. We know that these projects must be initiated—I do not say exclusively by British Columbia, because there is a federal responsibility of a particular character in them as well, which arises from statutes of the House of Commons bearing on the matter. But the primary responsibility of course in having these matters studied and appreciated and determined lies with the province in which they are situated. We know that British Columbia has very comprehensive legislation which provides that matters of flowage and projects of this kind can be brought before a public hearing when all the views and interests of everybody concerned as well as the disadvantages may be brought into light.

On the other hand, and preliminary to this, there is a procedure which I know has been adopted by British Columbia, namely that of placing a reserve on the project which might be affected, and concerning which any discussion will be brought before a hearing, and that everybody will have an opportunity to present his case. In the meantime of course that reserve having been placed, there may be no further alienation of crown lands which, if such were not the case, might get into the hands of speculators and throw out the economics of our whole system.

So we are not going to be concerned with the problem of initiation in these matters because that is not our responsibility. Our responsibility is to provide the procedure to determine what the subsequent particular storage and flowage might be and the advantages as well as the disadvantages to Canada and, I feel sure, to carry on this assessment of the economics during the interim period to which I have referred, and which we have not been able to deal with in the examination.

I might say that this procedure of public hearings would have been one which the commission would normally have adopted and followed except for the march of events, to use an expression which I so often find it necessary to use.

The responsibilities of the commission and of the governments are intertwined now in such a way that it becomes appropriate in time for the commission to make its report on this aspect of the matter, which was done to give our friends all the help we could in these discussions which we have had, and within the principles to which I have referred, and then to get them to come to grips with this thing.

It is perfectly clear in the form of these direct negotiations which are in process, that the whole question of which storages are to be taken into account is involved, as well as the financing of that billion dollars of expenditure in the interim period.

The CHAIRMAN: Gentlemen, this meeting stands adjourned until 9:30 a.m. on next Wednesday.

Mr. HERRIDGE: Will General McNaughton be able to come next Wednesday?

General McNAUGHTON: Yes sir.

The CHAIRMAN: Yes.

APPENDIX "A"

DEPARTMENT OF
EXTERNAL AFFAIRS
CANADA

The Secretary,
The International Joint Commission,
Ottawa.

OTTAWA, March 9, 1944.

Sir:

I have the honour to inform you that in order to determine whether a greater use than is now being made of the waters of the Columbia River System would be feasible and advantageous, the Governments of the United States and Canada have agreed to refer the matter to the International Joint Commission for investigation and report pursuant to Article IX of the Convention concerning Boundary Waters between the United States and Canada, signed January 11th, 1909.

2. It is desired that the Commission shall determine whether in its judgment further development of the water resources of the river basin would be practicable and in the public interest from the points of view of the two Governments, having in mind (A) domestic water supply and sanitation, (B) navigation, (C) efficient development of water power, (D) the control of floods, (E) the needs of irrigation, (F) reclamation of wet lands, (G) conservation of fish and wildlife, and (H) other beneficial public purposes.

3. In the event that the Commission should find that further works or projects would be feasible and desirable for one or more of the purposes indicated above, it should indicate how the interests on either side of the boundary would be benefited or adversely affected thereby, and should estimate the costs of such works or projects, including indemnification for damage to public and private property and the costs of any remedial works that may be found to be necessary, and should indicate how the costs of any projects and the amounts of any resulting damage be apportioned between the two Governments.

4. The Commission should also investigate and report on existing dams, hydro-electric plants, navigation works, and other works or projects located within the Columbia River system in so far as such investigation and report may be germane to the subject under consideration.

5. In the conduct of its investigation and otherwise in the performance of its duties under this reference the Commission may utilize the services of engineers and other specially qualified personnel of the technical agencies of Canada and the United States and will so far as possible make use of information and technical data heretofore acquired by such technical agencies or which may become available during the course of the investigation, thus avoiding duplication of effort and unnecessary expense.

I have the honour to be, Sir,

Your obedient servant,

(Sgd) W. L. Mackenzie King
Secretary of State for
External Affairs

APPENDIX "B"

THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS
CANADA

OTTAWA, January 29, 1959.

The Secretary,
Canadian Section,
International Joint Commission,
Ottawa.

Dear Madam,

I wish to refer to the letter dated March 9, 1944 from the Secretary of State for External Affairs to the Secretary of the Canadian Section of the International Joint Commission, which sets out the terms of the Columbia River Reference.

The first paragraph of this letter deals with the general objectives of the Reference, and it states in part as follows, ". . . in order to determine whether a greater use than is now being made of the waters of the Columbia River System would be feasible and advantageous, the Governments of the United States and Canada have agreed to refer the matter to the International Joint Commission for investigation and report pursuant to Article IX of the convention concerning Boundary Waters between the United States and Canada, signed January 11, 1909".

The Governments of the United States and Canada, as part of their continuing discussions, have agreed to request the International Joint Commission to report specially to governments at an early date its recommendations concerning the principles to be applied in determining

- (a) the benefits which will result from the co-operative use of storage of waters and electrical interconnection in the Columbia River System, and
- (b) the apportionment between the two countries of such benefits, more particularly in regard to electrical generation and flood control.

Yours sincerely,

Sidney Smith.

Appendix "C"

INTERNATIONAL JOINT COMMISSION
OTTAWA, CANADA

29 December 1959.

The Honourable,
The Secretary of State for External Affairs,
Ottawa.

Dear Sir,

In identical letters to the United States and Canadian Sections of the International Joint Commission, dated January 28, 1959 and January 29, 1959, respectively, the Secretary of State for the United States and the Secretary of State for External Affairs for Canada referred to the general objectives of the Columbia River Reference of March 9, 1944 and requested a special report as follows:

"The Governments of the United States and Canada, as a part of their continuing discussions, have agreed to request the International Joint Commission to report specially to the Governments at an early date its recommendations concerning the principles to be applied in determining:

- (a) the benefits which will result from the cooperative use of storage of waters and electrical interconnection within the Columbia River System; and
- (b) the apportionment between the two countries of such benefits more particularly in regard to electrical generation and flood control.

The Commission has completed the special report requested and accordingly I enclose a copy of the Report of the Commission which was signed at Washington on 29 December 1959.

Under separate cover I am forwarding one hundred additional copies of the Commission's Report of 29 December 1959.

Yours sincerely,

(sgd) D. G. Chance.

D. G. Chance,
Secretary, Canadian Section,
International Joint Commission.

REPORT OF THE INTERNATIONAL JOINT COMMISSION UNITED STATES
AND CANADA ON PRINCIPLES FOR DETERMINING AND APPORTIONING
BENEFITS FROM COOPERATIVE USE OF STORAGE OF WATERS AND
ELECTRICAL INTER-CONNECTION WITHIN THE COLUMBIA
RIVER SYSTEM

In identical letters to the United States and Canadian Sections of the International Joint Commission, dated January 28, 1959 and January 29, 1959, respectively, the Secretary of State for the United States and the Secretary of State for External Affairs for Canada referred to the general objectives

of the Columbia River Reference of March 9, 1944 and requested a special report as follows:

The Governments of the United States and Canada, as a part of their continuing discussions, have agreed to request the International Joint Commission to report specially to the Governments at an early date its recommendations concerning the principles to be applied in determining:

- (a) the benefits which will result from the cooperative use of storage of waters and electrical interconnection within the Columbia River System; and
- (b) the apportionment between the two countries of such benefits more particularly in regard to electrical generation and flood control.

In the preparation of this special report, the Commission utilized as background data all the information available to it on the water resources development needs and possibilities in the Columbia River area. This included the reports of the International Columbia River Engineering Board under the Columbia River Reference, as well as studies of other agencies in both the United States and Canada. A special work group was established to prepare summaries of the available data that would provide a background and orientation and thus facilitate mutual understanding of the situation and conditions under which principles for benefit determination and apportionment would be applied. Also, the Commission approached the problem of formulating principles within the context and intent of the Boundary Waters Treaty of 1909.

The studies of the International Columbia River Engineering Board, as well as other available information, indicate clearly that there are possibilities for cooperative development in the Columbia Basin that could be of mutual advantage to the two countries. Accordingly, the Commission was able to approach the problem of formulating principles for benefit determination and apportionment with information on specific projects for cooperative development which would offer advantages to both countries. The Commission was guided by the basic concept that the principles recommended herein should result in an equitable sharing of the benefits attributable to their cooperative undertakings and that these should result in an advantage to each country as compared with alternatives available to that country. The Commission gave consideration to the practical problems that will be encountered in applying the principles to cooperative arrangements between the two countries on specific projects in the Columbia River Basin. This was done to ensure that the principles would be workable but no attempt was made to spell out in the principles the detailed procedures that will necessarily be delineated when cooperative arrangements are entered into. The Commission recognizes that several administrative and legislative actions in each country may be necessary before these details can be worked out.

The principal benefits in the downstream country from cooperative use of storage of waters within the Columbia River System are improvements in hydro-electric power production and prevention of flood damage. Although other benefits would also be realized from such cooperative use, the outlook at this time is that their value would be so small in comparison to the power and flood control values that formulation of principles for their determination and apportionment would not be warranted. This is not intended to preclude consideration by the two Governments of any benefits, tangible or intangible, which may prove to be significant in the selection of projects or formulation of agreements thereon.

The prospective downstream power benefits are transportable and within reasonable transmission distances of the boundary. With adequate electrical

inter-connection, it would therefore be feasible to share these benefits in kind, that is, share the power itself rather than its value in money. The flood control benefits, however, accrue in specific localities and are not transportable. Cooperative use of storage designed to produce such benefits therefore requires recompense in money or by other means. In addition to providing a means for the return to the upstream country of its share of downstream power benefits, electrical interconnection between the power systems in the upstream and downstream countries opens the possibility of significant economies and advantages in the operation of the inter-connected systems in both countries through the cooperative use of generation and transmission facilities.

In view of the foregoing, the Commission's recommendations on principles for benefit determination and apportionment are presented herein in three sections, namely, general principles, power principles and flood control principles.

GENERAL PRINCIPLES

Selection of Projects

A necessary step in the development of cooperative arrangements involving sharing of downstream benefits is the selection of the projects to which such arrangements would apply.

In selecting individual projects from among the available alternatives in both countries for comprehensive development of the Columbia River Basin, it would be consistent with customary practice to give first consideration to those projects that are most attractive economically as reflected in the ratio of benefits to costs. It is suggested that this widely accepted principle be followed in international cooperative development of the Columbia River Basin to the extent that it may prove practicable and feasible to do so. If projects are developed successively to meet the growing needs for power production and to provide flood protection, the most efficient projects for those purposes should generally be developed first in order to maximize the net benefits to each country. It is recognized, however, that the results to be obtained from possible cooperative projects in the Columbia River Basin will constitute only a part of the total requirements for water resource development and use in the affected regions in both countries. Therefore application of the principle will necessarily be subject to the sovereign responsibilities in each country with respect to many vital and important national interests which must be taken into account in utilizing the water resources in each country. The Commission therefore recommends the following general principles:

General Principle No. 1

Cooperative development of the water resources of the Columbia River Basin, designed to provide optimum benefits to each country, requires that the storage facilities and downstream power production facilities proposed by the respective countries will, to the extent it is practicable and feasible to do so, be added in the order of the most favorable benefit-cost ratio, with due consideration of factors not reflected in the ratio.

Discussion of General Principle No. 1

It is intended in the application of this principle that benefits and costs of the projects given consideration in either country would be determined on the basis of the same or comparable evaluation standards, including such factors as the nature and extent of the benefits to be considered, the evaluation of such benefits, the determination of the initial investment and the computation of the annual costs.

The phrase "to the extent that it is practicable and feasible to do so" is included in recognition of the fact that it will not always be possible to adopt a project wholly on the basis of its benefit-cost ratio as compared to other projects in the river basin. There may be important non-monetary factors, not reflected in the benefit-cost ratio, which may require consideration and which may be of compelling influence in choosing projects for construction. Such factors include the disruption of community and regional economies, scenic, historic or aesthetic considerations, the preservation of fish and wildlife, and similar considerations, which cannot be adequately evaluated in monetary terms. Other practical considerations that might preclude the theoretically desirable order of construction of projects would include the following:

(a) the availability of funds, whether from public or private sources, may be an important consideration in the scheduling of projects within each country in an extensive basin-wide plan. This factor alone may require selection of a small project providing urgently needed benefits even though the small project may have a lower benefit-cost ratio than a larger project requiring more funds than are available. On the other hand, it is important to recognize that a small project undertaken for such an immediate consideration might jeopardize an eventual development of far-reaching beneficial consequences.

(b) an urgent need to provide for such purposes as local or regional flood control, navigation, irrigation, or exceptional increases in power requirements may determine the order of project construction rather than the ratio of benefits to costs.

(c) the attitude of affected interests on the flooding of lands and improvements or to the effect of a project on other uses of the water resource may require postponement or abandonment of construction of projects that are the most attractive when viewed solely from the standpoint of their benefit-cost ratio.

General Principle No. 2

Cooperative development of the water resources of the Columbia River basin should result in advantages in power supply, flood control, or other benefits, or savings in costs to each country as compared with alternatives available to that country.

Discussion of General Principle No. 2

This principle was used as a basic concept by the Commission in the preparation of the more specific principles recommended herein, and is recorded for future guidance in the application of those principles.

Trans-Boundary Projects

Projects which could produce downstream benefits to be shared between the two countries may be located entirely in the upstream country, or may be trans-boundary projects in which the benefit-producing potentials of storage and head are partly in each country. Such projects affect the level of water above the boundary and in consequence are subject to Article IV of the Boundary Waters Treaty of 1909. The principles presented elsewhere in this report are applicable directly to storage projects situated entirely in the upstream country and relate to the effects produced in the other. To apply these principles to a trans-boundary project, it is first necessary to assign to each country an "entitlement" to the storage. This entitlement or share of the benefit-producing potential of the storage would then form the basis for determination and apportionment of downstream benefits between the two countries in accordance with the principles recommended herein. In addition, an entitlement to at-site

power generation should be determined based on the benefit-producing potential of the head and flow involved. Also, the respective entitlements to share in any other benefit-producing potentials should be determined if significant.

As a basis for determining the "entitlement" of each country to the benefit-producing potentials of storage and head at trans-boundary projects, the Commission recommends the following general principle:

General Principle No. 3

With respect to trans-boundary projects in the Columbia Basin, which are subject to the provisions of Article IV of the Boundary Waters Treaty of 1909, the entitlement of each country to participate in the development and to share in the downstream benefits resulting from storage, and in power generated at site, should be determined by crediting to each country such portion of the storage capacity and head potential of the project as may be mutually agreed.

Discussion of General Principle No. 3

The "entitlements" determined in accordance with this principle provide a basis for establishing benefit credits. The principle is designed to provide flexibility in the arrangements between the two countries for cooperation on trans-boundary projects. The entitlement of a country computed in accordance with this principle would be the basis for determining the share of downstream benefits due that country in accordance with the other principles presented in this report for projects wholly in one country.

POWER PRINCIPLES

The setting in which principles for determining and sharing power benefits from the cooperative use of upstream storage in the Columbia River system would be applied is one in which significant changes are likely to occur within the life of projects that might be considered for development at this time. At present the power loads in the United States portion of the Columbia Basin and adjacent areas of the Pacific Northwest are supplied almost entirely from hydro-electric plants. The downstream generating plants in the United States are now in a position to benefit materially from storage regulation upstream primarily through improvement of the dependable capacity and useable energy of the downstream plants. As the more economically attractive hydro plants are developed progressively, it will become necessary and advantageous to add thermal plants to the system until ultimately the Pacific Northwest power system in the United States will become predominantly thermal.

In the course of this change, the character of the benefits to downstream hydro-electric plants in the United States from storage will change to benefits in the form of peaking capacity and thermal replacement energy and may change in value.

In Canada, the hydro-electric power potential has not yet been developed to a comparable extent. For this reason, the type of change envisioned in the United States is unlikely to occur in the Canadian portion of the Columbia River Basin and adjoining areas until a considerable period of time has elapsed.

In the light of the foregoing, the Commission has found it necessary in its formulation of principles for determination and sharing of power benefits to allow for changing conditions during the specified period that a cooperative development agreement or any extension thereof would be effective. The principles recommended below for the determination and apportionment of power benefits are believed to be sufficiently flexible to provide for equitable arrangements to permit taking into due account the changing conditions expected.

Application of the power principles to conditions in the Columbia basin would require electrical interconnection between the power systems of the two countries to make possible delivery of the upstream country's share of the power produced in the downstream country from the use of stored waters. Although such delivery could be accomplished initially with a somewhat limited degree of interconnection, the Commission is of the opinion that provision should be made for the eventual development of a broader, long-range plan for cooperative operation of the interconnected power systems of the two countries. Accordingly, the power principles include in addition to those governing cooperative use of stored waters, a principle providing for interconnection and coordination of the major power systems in the Columbia basin and adjoining areas in both countries so as to permit the power utilities of the two countries to gain the advantages of cooperative arrangements in power system operations.

Power Principle No. 1

Downstream power benefits in one country should be determined on the basis of an assured plan of operation of the storage in the other country.

Discussion of Power Principle No. 1

This principle is basic to a determination of the dependable capacity and usable energy that can properly be credited to operation of upstream storage for the benefit of hydro-electric power generation downstream. Emphasis is placed particularly on the concept of an assured plan of operation of the storage with the expectation that the downstream system will be developed and operated so as to make optimum use of the stream flow regulation provided.

It is a generally accepted engineering principle in the electric power field that any power supply which is classified as "firm" or "dependable" must be deliverable on such a schedule or plan as to assure availability of the power at the times when it is needed to serve the load, particularly during peak load periods. It is, therefore, highly important that river-flow regulation be provided under an agreed operating plan or rule curve that will assure the dispatch of water by the owner of storage facilities to the owners of downstream hydro plants in such a manner as to meet the needs of the latter for delivery of firm power to their customers. Such a plan of operation will provide the maximum downstream power benefit consistent with the degree of coordination agreed upon.

It is expected that a general plan of operation of the upstream storage project will be estimated for the entire period of the agreement with the understanding that mutually satisfactory adjustments in the long-range plan of operation can be made from time to time as necessary. This general provision for adjustment is additional to the flexibility for changes by either country which may be specifically provided for in the agreement. Factors that may bring about the need for adjustments in the operating plan are covered in the discussion of Power Principle No. 2.

Power Principle No. 2

The power benefits attributable to an upstream storage project should be estimated in advance to the extent possible to the mutual satisfaction of the upstream and downstream countries. These estimates of power benefits should be subject to review in accordance with the agreed principles every five years, or more often as may be agreed, to take into account in subsequent estimates any change in previously assumed conditions and to insure optimum utilization of the storage and accurate determination of future benefits.

Discussion of Power Principle No. 2

This principle is intended to provide in advance of construction of upstream storage reservoirs a long-range estimate of the expected benefits of the international cooperative undertaking. The estimate of benefits, expressed in power, or in monetary terms if necessary, would be determined on the basis of the current assured plan of operation as described under Power Principle No. 1 and in accordance with Power Principle No. 3.

It is contemplated that the appropriate agencies in each country will collaborate in the preparation of the estimate and that it will cover the entire period of the international agreement. Any extension of the agreement would also require similar estimates. It should be based on the relevant conditions of load and power supply expected to prevail during the period of the agreement. The assumed power supply should include the projects, both hydro-electric and steam-electric, considered most likely to be constructed to meet the long-range needs of the power systems concerned.

In estimating the long range power benefits attributable to upstream storage and in the periodic reviews provided for in this principle, due recognition should be given to the adjustments in storage operation that are likely to be required to meet power loads and other water use needs in either country. Factors in either country which could change and thus alter the role of storage include: the magnitude and characteristics of the power loads to be served, installed generating capacity available in the hydro-electric plants on the affected systems, the amount of thermal generating capacity available and the requirements of other water uses. The time and effect of such changes should be anticipated by the appropriate Canadian and United States agencies as far in advance as possible and taken into account either by provision in the assured plan of operation or by agreement on mutually satisfactory adjustment as a result of the periodic review of the plan of operation and long-range estimate as provided for in this principle.

In addition to the primary purpose of furnishing a long-range estimate of the benefits of the international cooperative undertaking the advance estimate and periodic reviews are expected to serve several other purposes. The agencies affected will be afforded a basis for anticipating the probable long-range use or role of the storage in the respective countries so that other developments on the affected power systems can be planned well in advance and timely provision made for their construction as required by each country. Assurance as to use of the storage would facilitate advance planning of the transmission systems required to coordinate the storage operation with generating plants on the interconnected power systems. Information provided from the estimates would also aid the two countries in determining the timing and value of other projects of international scope in which they may be jointly interested.

Power Principle No. 3

The amount of power benefits considered to result in the downstream country from regulation of flow by storage in the upstream country should be determined in advance by computing the difference between the amount of power that would be produced at the downstream plants with the storage regulation and the amount that would be produced without such regulation. This determination would be made on the assumption that upstream storage is added at an agreed-upon level or condition of storage and power supply. The storage credit position of the upstream storage thus established should be preserved throughout the period of the agreement.

Discussion of Power Principle No. 3

Application of the with and without principle involves several significant determinations and procedures to insure that the upstream storage receives proper credit for its contribution toward meeting the load. Because of the fact that successive units of storage capacity added to a system of projects result in decreasing amounts of regulatory effect per unit, the time at which a project is considered as added to the system in relation to the time at which other storages are added affects the amount of regulatory effect and accompanying firm power benefit with which a particular storage project may be credited. Thus the conditions under which a project is considered as added determines its "credit position".

Under this principle, it is intended that the storage credit position of an upstream storage reservoir be determined on the assumption that it is added at an agreed-upon level or condition of storage and power supply. This "level" or "condition" might be defined by relating it to a "base system". The "base system" would be comprised of all developments existing at the time of negotiation of an agreement together with developments actually under construction at that time.

Since many estimates and computations have already been made on the basis of data available during the Commission's consideration of these principles, it is suggested that negotiations undertaken in the near future utilize as a base system the developments existing and under construction on January 29, 1959, the date of the two Governments' request for this report. The pertinent storage developments in the current base system are:

<i>Project</i>	<i>Useable storage</i>
Kootenay Lake	673,000 acre-feet
Hungry Horse	2,982,000
Flathead Lake	1,217,000
Albeni Falls	1,153,000
Cœur d'Alene Lake	225,000
Grand Coulee	5,072,000
Chelan	676,000
Brownlee	1,034,000
	<hr/>
	13,032,000 acre-feet

If negotiations are undertaken or continued at a time when major changes have occurred, a revised base system should be agreed upon. Conditions of International Joint Commission Orders of Approval affecting any of these developments would continue to be applicable.

It is contemplated that the representatives of the two governments who negotiate arrangements under these principles would agree on the order in which the storages they have under consideration would be considered as added to the base system so that a credit position for each such storage could be established. It is intended under this principle to provide that the credit positions of the storages thus established will not be adversely affected by the addition of subsequent storage and that the storage credit of such agreed upon storages may increase or decrease only as the role of storage generally in the system changes.

Power Principle No. 4

The amount of power benefits determined to result in the downstream country from regulation of flow by storage in the upstream country would normally be expressed as the increase in dependable hydroelectric capacity

in kilowatts under an agreed upon critical stream flow condition, and the increase in average annual useable hydroelectric energy output in kilowatt-hours on the basis of an agreed upon period of stream flow record. Since this procedure requires relating the increased power production to the loads to be met in the downstream country and adjustment of the upstream country's entitlement to conform more nearly to its load requirements, consideration might be given in the negotiations to the adoption of arrangements that would be less dependent upon consideration of the load patterns in each country.

Discussion of Power Principle No. 4

In determining the increase in dependable hydro capacity and in useable energy output at downstream plants resulting from upstream regulation, the estimates should be based on the ability of those plants, enlarged as necessary, to serve the coordinated system loads in the downstream country expected to be realized during the period under consideration.

The critical flow period used to determine hydro plant outputs available for supporting dependable capacity on the downstream load would be that corresponding with the agreed-upon level or condition of storage and power supply as contemplated in Power Principle No. 3.

Estimates of increase in average annual useable energy output at the affected downstream plants should be based on an agreed upon period of stream flow record which is expected to give results representative of long term conditions.

It is expected that both dependable capacity and energy benefits will result during the early and intermediate stages of the storage operation, but during the later stages the power benefit may consist only of increased useable energy.

Whether the objectives are to produce the maximum firm power, peaking capacity or thermal replacement energy, the power useable on the downstream load is the basis for determining the monetary value of the power resulting from the cooperative arrangements. Such value as defined later in Power Principle No. 5 would serve as the basis for adjusting the upstream country's entitlement as between capacity and energy, to amounts of equivalent total value, which conform more nearly to the requirements of the upstream country's load.

Power Principle No. 5

Whenever it is necessary to place a monetary value on downstream power benefits arising in one country from storage operation in the other country, the value should be the estimated cost to the downstream country of obtaining equivalent power from the most economical alternative source available except where the appropriate Canadian and United States agencies specifically agree on some other basis of evaluation.

Discussion of Power Principle No. 5

This principle is intended to provide a basis for the evaluation, in monetary terms, of downstream capacity and energy benefits attributable to upstream storages for whatever purposes such monetary evaluation may be required; but is intended to have application only in those cases where appropriate monetary values for specific purposes are not otherwise agreed upon by the appropriate United States and Canadian agencies. It is further intended that were such monetary values are agreed upon by the agencies, for any period during the life of the covering agreement, the value so agreed upon shall over-ride the provisions of this principle.

The alternative source used as a basis for the evaluation should be the most likely source available to furnish an amount of power equivalent to the power being evaluated and might be hydroelectric, thermal or some combination thereof.

Power Principle No. 6

The power benefits determined to result in the downstream country from regulation of flow by storage in the upstream country should be shared on a basis such that the benefit, in power, to each country will be substantially equal, provided that such sharing would result in an advantage to each country as compared with alternatives available to that country, as contemplated in General Principle No. 2. Each country should assume responsibility for providing that part of the facilities needed for the cooperative development that is located within its own territory. Where such sharing would not result in an advantage to each country as contemplated in General Principle No. 2, there should be negotiated and agreed upon such other division of benefits or other adjustments as would be equitable to both countries and would make the cooperative development feasible.

Discussion of Power Principle No. 6

It is assumed that each country would bear all capital and operating costs for facilities it would provide in its own territory to carry out the cooperative development. The upstream country's share of the power would be transmitted to the boundary by the downstream country at such points as may be most economical to the downstream country. Other points could be selected upon request of the upstream country provided that any excess costs to the downstream country are paid by the upstream country. Losses in transmission of the power to the international boundary from the points of generation would be borne by the upstream country. The voltage at which power would be delivered to the upstream country would be mutually agreed upon but such voltage should be a level that is in common use on the downstream power system through which the transfers of power are to be made.

The load factor at which the upstream country's share of power is delivered should also be agreed upon in advance. Basically, the downstream country should not be required to provide more facilities for generation and transmission to furnish the upstream country its entitlement of power than would be required if the power were to be used in the downstream country at the load factor generally applicable to its affected hydro plants.

Power Principle No. 7

In addition to benefits from cooperative use of stored water, interconnection and coordination of the electric power systems to the extent that they are practicable and desirable, would also provide many mutual benefits which should be shared. Coordination being a continuing function would require specific arrangements on the part of the operating agencies as the need arises.

Discussion of Power Principle No. 7

The first six power principles recommended in this report are directed to determination and apportionment of benefits which would result from international cooperation in the use of stored waters. These are basically hydraulic benefits which can be realized by storing flood flows during the spring and summer months and releasing the stored waters during the fall and winter months when they can be put to use for the production of firm power at the storage site and downstream. Electrical interconnection between

the power systems of the two countries would be required to make possible delivery of the upstream country's share of the power produced in the downstream country from the use of stored waters, but the interconnection capacity provided for this purpose would be only that needed to accomplish such delivery. This limited degree of interconnection would not, however, make possible the greater benefits that would accrue to the two countries from a comprehensive plan of interconnection and coordination.

Such coordination should be recognized in the development of the agreed upon plan of upstream storage operation and in the computation of system power benefits. Separate arrangements may be required for sharing coordination benefits because the electrical coordination envisaged could extend geographically beyond the service areas of the generating plants or power systems directly benefited by the release of stored waters from storage projects constructed by the upstream country. It is recognized that the power systems in British Columbia are not now developed to the same extent as in the United States portion of the Columbia River basin, but it is the intention of this principle to provide for long-range international cooperation between the systems of the two countries as they continue to develop in the future.

Under arrangements for coordination, it would be expected that all participating power systems would retain their local autonomy but would necessarily operate their generation and transmission facilities under the terms of appropriate agreements with a view to maximizing mutual benefits. The arrangements should set forth the broad operating principles to be observed and should be written in sufficient detail to describe the specific purposes and objectives.

FLOOD CONTROL PRINCIPLES

Among the sections in the United States to which principles for flood control benefit determination and sharing would be applicable are the Kootenai River downstream from Bonners Ferry, Idaho, and the lower main stem of the Columbia River. These areas now have partial protection against flooding and there are plans for utilization of storage in the United States to be developed primarily for power purposes in such a way that ultimately a high degree of protection against major floods would be obtained. As successive blocks of storage for flood control purposes are added to the system, the amount of flood damage that can be prevented per unit of flood control storage decreases. Accordingly, the value that can be assigned to upstream storage for flood control purposes is greater for projects to be constructed in the near future than for those to be built later. Also, in the Columbia Basin the hydrologic and hydraulic characteristics are such that storage can be operated in the interests of flood control to a considerable extent with little, if any, interference with the operation of the same storage project in the interests of power generation.

These factors, as well as other information available to the Commission, have been taken into account in formulating the following principles for determination and sharing of flood control benefits which may result from cooperative development of storage in the Columbia River Basin.

Flood Control Principle No. 1

Flood control benefits should be determined on the basis of an assured plan of operation and flood control regulations agreed to in advance.

Discussion of Flood Control Principle No. 1

The assured plan of operation for flood control would not be a separate plan of operation but rather a joint or composite plan of operation of a given

storage project in the interests of flood control as well as for other purposes, principally power. The plan of operation for any reservoir included in the flood control plan, therefore, should be worked out initially so as to obtain the best combination of benefits for all purposes. In the Pacific Northwest meteorological and hydrological conditions and the requirements for storage operations in the interests of power and flood control are such that little, if any, loss of ability to maximize power benefits is required to accommodate flood control. In any event, the plan of operation worked out in accordance with these principles would be the basis for determination of the flood control and power benefits to be shared.

Once the plan of operation is agreed to, normal operations for both power and flood control would be in accordance with that plan. It is to be expected that both the upstream storage interests and the downstream power and flood control interests may wish from time to time to request or suggest deviations from the plan. If such deviations would involve an adverse effect on the other party at interest it would be expected that a basis for compensating for the adverse effect would also be proposed. Such deviations would then be made possible if the deviations and any required compensation were mutually acceptable to both parties. If the upstream country wished to have the option of using alternative storage to provide equivalent downstream flood control effects as contemplated in the plan of operation, such option should be provided for in the agreement.

It is assumed that acts of God, emergencies, and other events over which neither party has control, would be interpreted and handled in the manner usually contemplated in a "force majeure" clause in an agreement.

Flood Control Principle No. 2

The downstream flood control benefit of the upstream storage to be operated in accordance with an agreed-upon flood control plan should be estimated in advance on the basis of the effectiveness of such storage in meeting the flood control objectives applicable in the downstream country at the time the upstream storage is provided.

Discussion of Flood Control Principle No. 2

This principle places prospective Canadian storage to be operated in accordance with an agreed-upon flood control plan in exactly the same position that any concurrently prospective United States storage for flood control purposes would have. The effectiveness of all flood control storage is measured in terms of the flood control objectives applicable at the time the storage is to be provided and the effectiveness determined at that time is applicable for the entire life of the project in question or for the period of agreement in the case of Canadian storage.

In the United States the current primary flood control objective is to obtain storage sufficient to control a flood of the magnitude of that of 1894 at The Dalles to 800,000 cfs. All additional storage in the United States or Canada necessary to achieve this objective (approximately $7\frac{1}{2}$ million acre feet of storage usable for flood control) would, if included in the flood control plan, be given equal credit on the basis of the effectiveness of each acre foot of such storage in controlling floods at The Dalles. Storage either in the United States or Canada added after the necessary amount has been reached to control the 1894 flood to 800,000 cfs would, if included in the flood control plan, be evaluated at a lesser rate based on the average value of all additional storage needed to control the 1894 flood at The Dalles to 600,000 cfs.

Local flood control objectives have also been identified in other parts of the basin especially on the Kootenai River downstream from Bonners Ferry

where control of the 1894 flood to a maximum of 60,000 cfs is desirable. Storage either in the United States or Canada should be entitled to credit on the basis of satisfying such local objectives.

Flood Control Principle No. 3

The monetary value of the flood control benefit to be assigned to the upstream storage should be the estimated average annual value of the flood damage prevented by such storage.

Discussion of Flood Control Principle No. 3

The average annual value of flood damage prevented by upstream storage can be computed by conventional methods using stage-frequency and damage-frequency relationships. The methods are described and their application illustrated in the most recent report of the Corps of Engineers on the Columbia River Basin recently submitted by the Division Engineer, U.S. Army Engineer Division, North Pacific, to the Chief of Engineers under the title "Water Resources Development, Columbia River Basin" dated June 1958.

Flood Control Principle No. 4

The upstream country should be paid one-half of the benefits as measured in Flood Control Principle No. 3, i.e., one-half of the value of the damages prevented.

Discussion of Flood Control Principle No. 4

In the event that application of this principle should indicate a payment to the upstream country greater than the estimated cost of alternative means of obtaining equivalent flood control in the United States the requirement of General Principle No. 2 that there should be an advantage as compared with available alternatives would not be satisfied and consideration should be given to this circumstance in the negotiations.

Flood Control Principle No. 5

The amount due to the upstream country under the foregoing principles should be determined in advance of construction of each storage project. Payments to cover the entire period that the arrangements are to be effective should be made in cash as a lump sum or as periodic amounts as may be agreed upon the mutual satisfaction of the upstream and downstream countries.

Discussion of Flood Control Principle No. 5

The payment of a lump sum or periodic amount as may be agreed upon would, of course, be subject to the authorization of such payment by the Congress of the United States. Request for such authorization could be presented to the Congress for consideration as soon as a definite arrangement between the two countries became available as a basis for the request.

Flood Control Principle No. 6

In the event of the downstream country requesting special operation for flood control of storage included in the assured plan of operation, beyond the type of operation provided for in such assured plan, the upstream country should be compensated for any loss of power which may result therefrom. In the event of the downstream country requesting the operation, for flood control, of storage not included in the assured plan, the upstream country should similarly be compensated for any loss of power which may be sustained by the upstream country and in addition should be paid on the basis of half the damages prevented by the operation of the storage in question.

Discussion of Flood Control Principle No. 6

This principle is included to provide for emergency operations to meet unusual flood producing conditions not covered in the assured plan of operation discussed under Principle No. 1. As long as operations for flood control remain in conformity with the assured plan of operation, there would be no compensation beyond that provided for in the other power and flood control principles.

If, however, unusual flood producing conditions should occur and, at the request of the downstream country, the upstream country should draw down its storages included in the assured plan to a greater extent or at a different time or in any manner not provided for in the assured plan of operation, the downstream country should compensate the upstream country for the loss of power sustained in providing the additional flood protection. That is, if such action caused a loss of power as compared with the results that would have been possible by adhering to the assured plan of operation, then the upstream country would be reimbursed for the loss of power at its plants and for the decrease in its share of power in the downstream country's plants. The reimbursement could be either in cash or in power as might be mutually agreed upon. In any event, the downstream country should give assurances that it would furnish sufficient power to meet minimum load requirements of the upstream country if the loss of power were so great as to adversely affect the upstream country's ability to meet the loads from its own resources.

The foregoing arrangements will apply also to upstream storage not in the flood control plan but which is operated in response to the request of the downstream country to give emergency relief. In this case, however, the downstream country should, in addition to the compensation to the upstream country for power loss, make a payment to the upstream country on the basis of half the damages prevented.

Signed at Washington this twenty-ninth day of December 1959.

Eugene W. Weber
A. G. L. McNaughton
Francis L. Adams
J. Lucien Dansereau
D. M. Stephens.

APPENDIX "D"

TABLE A

13 COLUMBIA BASIN PROJECTS RECOMMENDED BY CHIEF OF ARMY ENGINEERS (U.S.) FOR "AUTHORIZATION" BY CONGRESS¹

SITE	Reported costs in press ¹	Project Data from Water Resource Development—Columbia River Basin—U.S. Army Engineers, June 1958										Gross head
		Construction costs	Annual costs excluding taxes	Equivalent power benefits excluding taxes	Local flood control	System Flood Control		Normal pool elevation	Usable storage	Power installation		
						Basic plan	After basic plan			Initial	Ultimate	
	Million	Million	Million	Million	Million	Million	Million	Ft.	MAF	MW	MW	
Works for Power and Flood Control—												
1. High Mountain Sheep Snake.....	\$ 200.000	\$ 226.380	\$ 10.582	\$ 22.694 ⁵		\$ 1.819	\$ 0.228	1490	2.100	600.0	1500.0	580
2. Knowles.....	234.019	235.021	9.841	19.692	\$ 0.131	2.860	0.316	2700	3.080	256.0	512.0	230
3. Penny Cliffs.....	210.036	210.136	8.630	11.490	0.649	3.015	0.262	1855	2.300	292.0	292.0	592
4. Bruces Eddy.....	127.166	127.296	5.419	8.062	0.397	1.880	0.155	1540	1.433	240.0	240.0	566
5. Enaville.....	78.036	78.119	3.229	4.105	0.034	0.600	0.071	2430	0.700	30.0	60.0	272
6. Long Meadows.....	25.709	25.773	1.081	1.676	0.126	0.290	0.041	3100	0.400	9.0	18.0	192
7. Nine-Mile Prairie.....	54.894	55.032	2.411	3.759	0.078	0.570	0.082	3819	0.885	60.0	60.0	285
8. Garden Valley Division..	146.100	146.400	6.559	9.406 ⁸	0.103	0.431	0.040	3335	1.940	285.8	368.0	425
Totals.....	1,075.960	1,104.157	47.752	80.884	1.518	6	6	.....	12.838	1,772.8	3,050.0	.....
Projects for Flood Control only (Above Bonneville)												
9. Flathead Lake Outlet Improvement.....	6.142	6.167	0.236	.....	0.036	0.620	0.111	2893	1.220 ⁷	.....	.....	.....
Other Projects in Basin—Below Bonneville												
10. Cascadia.....	28.270	28.400	1.172	.....	1.084	.....	.....	967	0.145	.....	.....	.....
11. Gate Creek.....	15.920	16.000	0.678	.....	0.715	.....	.....	1000	0.050	.....	.....	.....
12. Strube.....	6.685	6.693	0.491	.....	.....	.....	.....	1236	Pondage	4.5	4.5	63
13. Fern Ridge Modification Long Tom ³	0.140	0.143	0.005	.....	0.014	.....	.....	374	0.015 ⁴	.....	.....	.....
Totals.....	1,133.117 ⁴	1,161.560	50.334	.....	.....	.....	.....	.....	.....	.....	.....	.....

Note: The only other storage project in the Columbia Basin, other than that now built or under construction, "Authorized" by Congress is Libby.

¹ New York Times Sunday 17 January 1960.

² Incremental storage.

³ Willamette River Basin Plan.

⁴ Press Report gives figure as \$1,132.138 Million.

⁵ It will be noted that some projects are built for flood control only.

⁶ Not additive.

⁷ Not included in total as benefits already available for power total available storage between lake elevations 2883 and 2893.15 1,220,000 A.F. channel improvement results in increased usable storage of 600,000 A.F. over natural conditions for flood control to 800,000 cfs at the Dalles.

⁸ Power benefits calculated including taxes for this project.

EXTERNAL AFFAIRS

APPENDIX "E"

TABLE B

ENERGY POTENTIAL OF U.S. STORAGE PROJECTS RECOMMENDED TO CONGRESS FOR APPROVAL¹

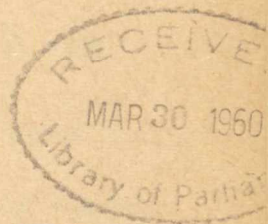
Reservoir		Usable storage	Usable head for storage			Acre-feet × Head in feet			
			MAF	Canada	U.S.	Total	Millions		
				Ft.	Ft.	Ft.	Canada	U.S.	Total
	River								
High Mountain Sheep.....	Snake.....	2.100	.....	1,380	1,380	.....	2,898	2,898
Knowles.....	Flathead.....	3.080	410	2,050	2,460	1,263	6,314	7,577	
Penny Cliffs.....	M. F. Clearwater.....	2.300	.....	1,140	1,140	.....	2,622	2,622
Bruces Eddy.....	N. F. Clearwater.....	1.433	.....	1,200	1,200	.....	1,720	1,720
Enaville.....	Coeur d'Alene.....	0.700	.....	1,920	1,920	.....	1,344	1,344
Long Meadows.....	Yaak.....	0.400	422	1,468	1,890	169	587	756	
Nine Mile Prairie.....	Blackfoot.....	0.885	410	2,210	2,620	363	1,956	2,319	
Garden Valley Division.....	Payette.....	1.940	.....	2,500	2,500	.....	4,850	4,850
Totals.....	.....	12.838	.....	.....	.....	1,795	22,291	24,086

Total Cost of Projects \$1,075.960 Million¹.¹ New York Times Sunday 17 January 1960.

HOUSE OF COMMONS

Third Session—Twenty-fourth Parliament

1960



STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

WEDNESDAY, MARCH 23, 1960

ESTIMATES 1960-61 OF THE DEPARTMENT OF
EXTERNAL AFFAIRS

WITNESS:

General the Honourable A. G. L. McNaughton, Chairman, Canadian Section,
International Joint Commission

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.,

and Messrs.

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Crestohl,
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Fairfield,
Fleming (*Okanagan-
Revelstoke*),
Garland,
Hellyer,
Herridge,

Jones,
Lennard,
MacLellan,
Macquarrie,
Mandziuk,
Martin
(*Essex East*),
Matthews,
McCleave,
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Slogan,
Smith
(*Calgary South*),
Valade,
Vivian—35.

Eric H. Jones,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

WEDNESDAY, March 23, 1960.

(8)

The Standing Committee on External Affairs met at 9.30 o'clock a.m., the Chairman, Mr. H. O. White, presiding.

Members present: Miss Aitken and Messrs. Cardin, Cathers, Fairfield, Fleming (*Okanagan-Revelstoke*), Herridge, Jones, Lennard, Macquarrie, Mandziuk, Martin (*Essex East*), McCleave, McFarlane, McGee, Montgomery, Nesbitt, Nugent, Pratt, Slogan, Smith (*Calgary South*) and White—21.

In attendance: of Canadian Section, International Joint Commission: General the Honourable A. G. L. McNaughton, Chairman; and Messrs. D. G. Chance, Secretary; E. R. Peterson, Engineering Adviser; and J. L. MacCallum, Legal Adviser; and *of the Department of External Affairs:* Messrs. J. H. Cleveland, Head, and J. M. Cook and D. W. Munro, American Division.

At the opening of the proceedings it was moved by Mr. Montgomery, seconded by Mr. McFarlane,

That Mr. Lennard be Vice-Chairman.

The said motion was carried.

The Committee resumed its consideration of the 1960-61 estimates of the Department of External Affairs.

Continuing on Item 105 relating to the International Joint Commission, General McNaughton continued his statement on the water resources of the Columbia River basin and was questioned thereon.

General McNaughton filed two copies of a brochure, *Sequence & Timing in River Basin Development with special application to Canadian-United States Columbia River Basin planning* by John V. Krutilla. It was agreed that the said two copies eventually be lodged with the Library of Parliament and that in the meantime they be held by the Clerk of the Committee to be available for reference by members of the Committee. Copies of the said brochure are being obtained for distribution to members of the Committee as soon as possible.

At 11.00 o'clock a.m. the Committee adjourned until 9.30 o'clock on Friday, March 25, 1960.

Eric H. Jones,
Clerk of the Committee.

EVIDENCE

WEDNESDAY, March 23, 1960
9:30 a.m.

The CHAIRMAN: The committee will come to order. There are one or two announcements I want to make. One is that the Honourable Howard Green is away, but he will be back probably tomorrow, if not today.

We intend to leave the administration item of the estimates open so that if questions of policy should come up during the deliberations of this committee, the Minister could be with us at some convenient time to answer those questions.

Mr. MARTIN (*Essex East*): Mr. Chairman, I was quite sure that we had not finished with the minister. There had been no suggestion that we had finished with him.

The CHAIRMAN: No, that is quite true.

Mr. NESBITT: The minister indicated—I do not know if Mr. Martin was present at the time or not—that he would be glad to come back at any time.

Mr. MARTIN (*Essex East*): When we concluded with the minister the other day it was understood that we had not finished with him. It was only because of obligations that he had that he had to be away, or we would have gone on with him. There are very important policy matters which are now being made on the cessation of tests.

The CHAIRMAN: There was no intention on my part to suggest that Mr. Green had completed the administration item. It would be as a matter of convenience for all members of the committee that that item would be left open, so that when the minister was finished with his statement, nevertheless he would return later if we wanted him.

I wish to say that General McNaughton, who is also a busy man, is with us today and will be on Friday.

Mr. MARTIN (*Essex East*): Good.

The CHAIRMAN: I hope if possible we might conclude that particular item dealing with the International Joint Commission during today and Friday; but if not, General McNaughton will be available on Monday, but not thereafter for some time because of some other important meetings that he has scheduled.

I also want to say to the committee that I find I shall be away for some time. So I am going to ask for a motion for a vice-chairman, to act during my absence.

Mr. MONTGOMERY: Mr. Chairman, I move that Mr. Frank Lennard be vice-chairman.

Mr. McFARLANE: I second the motion.

The CHAIRMAN: All in favour?

Motion agreed to.

We shall now go on with General McNaughton, dealing with the Columbia river.

General A. G. L. McNAUGHTON, (*Chairman, Canadian Section, International Joint Commission*): Mr. Chairman and members: last Friday when I appeared before you Mr. McFarlane asked whether we could inform him of the amounts expended by the Government of Canada on the Columbia River investigations since 1944.

This information is given in this table which you may wish to have reproduced in the record of today's proceedings.

It is expected that approximately another \$125,000 will be spent by 31 March 1960 making a total of \$4,147,761. These are the moneys expended through the Department of Northern Affairs and National Resources. It is estimated that this department will require an amount of \$98,745 for the Columbia investigations for 1960-61.

The total does not include such items as the salaries of the members of this commission for the considerable time spent on Columbia problems. Similarly we do not have a separate item for the salaries of the various officers of the several departments who are concerned with the Columbia investigation. Under paragraph 5 of the Columbia river reference of 9 March 1944, the Commission was authorized to "utilize the services of engineers and other specially qualified personnel of the technical agencies of Canada and the United States and will so far as possible make use of information and technical data heretofore acquired by such technical agencies or which may become available during the course of the investigation, thus avoiding duplication of effort and unnecessary expense."

Naturally the departments concerned are under obligation to make this assistance available in so far as the other functions permitted. Very valuable as this assistance has been—it has in fact been essential—it has not been the custom, either in Canada or the U.S., to charge the commission for the help thus given.

Answer to Mr. McFarlane M.P.
Re Cost of Columbia Investigation Since 1944.

Year	Sum Voted	Sum Expended
	\$	\$
1944/45.....	50,000	10,509
1945/46.....	130,000	89,164
1946/47.....	300,000	219,676
1947/48.....	280,000	245,693
1948/49.....	330,000	309,140
1949/50.....	350,000	302,341
1950/51.....	380,000	340,288
1951/52.....	381,095	312,298
1952/53.....	387,535	331,923
1953/54.....	373,300	297,817
1954/55.....	377,400	313,152
1955/56.....	641,360	482,299
1956/57.....	473,795	350,138
1957/58.....	245,437	215,812
1958/59.....	227,780	202,511
Total to 31 March 1959.....	4,598,032	4,022,761
1959/60.....	170,740	125,000—Forecast
Total to 31 March 1960.....	4,768,772	4,147,761—Forecast
1960/61.....	98,745	98,745—Forecast
Total to 31 March 1961.....	4,867,517	4,246,506—Forecast

NOTE: First 2 years—funds provided from External Affairs Vote (International Joint Commission)—remainder from vote of Water Resources Branch, Department of Northern Affairs and National Resources.

Mr. Chairman, that is the information with the table, year by year, of the expenditures. I hope this will satisfy Mr. McFarlane's request. If not, I would endeavour to get whatever further information is required.

Mr. Chairman, when we recessed the committee last time, we were dealing with certain aspects of the Columbia, and we had left other items such

as the St. Lawrence, the Souris, and the Rainy lake, and so on, to one side. I assume, Mr. Chairman, it is your desire that we should proceed with the Columbia this morning?

The CHAIRMAN: Yes.

General McNAUGHTON: Mr. Chairman, in discussing the Columbia I had reached the point where I had made reference to the report of the International Joint Commission on principles for determining and apportioning the benefits from cooperative use of storage of waters and electrical inter-connection within the Columbia river system. I had also reported that the commission had completed that assignment under date of December 29 last and had rendered the report to the governments for whatever use the governments might wish to make of it in the subsequent negotiations which are proceeding between the government of Canada, associated with the government of British Columbia, and the government of the United States.

Mr. Chairman, I had mentioned that the commission is not, naturally, a participant in negotiations between the governments. It has been our responsibility, in response to the request we received on January 29, 1959, to work out these principles, and we are now in a position of what I called observation, which means that the commission is available to the governments to be called on to do any particular job of investigation or report, or whatever they wish. But we are not concerned in the negotiations; and so I venture to say that it would be highly improper for us to comment on the progress of the negotiations in any way. Those are matters on which others in the government, or in government service, are qualified to give information to the committee; but we are not, Mr. Chairman.

It is very clear that our responsibilities are related to, and what we can talk about with authority, the tasks that we have in fact carried through; for example, the principles of 29 December, 1959. If they require explanation, we are ready to give those explanations to the best of our ability. If matters related to the investigations carried out by our various boards are wanted, we have the reports in these boards available to you. They have been tabled, and if any explanation of any sort or manner is required, or their implications, we are ready to endeavour to provide that information, again, of course, to the best of our ability.

Mr. Chairman, I thought that this morning, if it met your pleasure and the pleasure of the committee, I would like to deal very briefly with about two of the principles that have been proposed. I am not in any sense trying to restrict the argument and the questions to the two principles, but it is those two that I think the committee members would like to have explained a little bit more in detail, because they are vitally important in relation to all the arrangements that are to be made in regard to these various proposals for the development of the Columbia in a cooperative arrangement. If there are other questions—and I have no doubt there will be—related to other sections of this report, if members would raise their questions we will endeavour to go into them.

The CHAIRMAN: I think Mr. Fleming has a question now.

Mr. FLEMING (*Okanagan-Revelstoke*): Yes, I have. On Friday General McNaughton made a reference to, as I recall it, this fact, that the inclusion of the High Arrow plan would diminish the value of the Mica creek development, and just from that I would assume this would also apply to Downie creek and Revelstoke canyon. I wonder if that could be amplified, to indicate what effect High Arrow would have on the Downie creek and Revelstoke canyon projects?

General McNAUGHTON: I would be very glad to do that. Might I suggest, Mr. Chairman, that I could do that to perhaps greater advantage after I have explained these first two principles which have, I was going to say, a dominant effect—they become a dominant factor in the evaluation of those effects. I think I should explain them to the members of the committee before we go into the detail, if I might.

The CHAIRMAN: Yes.

General McNAUGHTON: Mr. Chairman, general principle No. 1, which appears on page 5 of our report as it has been circulated to members of the committee, reads as follows:

Cooperative development of the water resources of the Columbia river basin, designed to provide optimum benefits to each country, requires that the storage facilities and downstream power production facilities proposed by the respective countries will, to the extent it is practicable and feasible to do so, be added in the order of the most favourable benefit-cost ratio, with due consideration of factors not reflected in the ratio.

To implement this procedure, which is designed for the purpose of bringing into the cooperative arrangement those projects in either country which are the least expensive in relation to the benefits which they produce, we are at this stage completely disregarding the boundary and merely picking projects on their merit and bringing those into the cooperative benefits which both countries can gain thereby. That is the purpose of this principle.

The commissioners, of course, have recognized that in dealing with a vast project—such as these projects in the Columbia basin are—there are all sorts of very special considerations that must be in the minds of those who negotiate the agreement, and it was necessary in our statement of principles, if they were to represent the practical line of procedure, that that flexibility for special consideration should be incorporated. I am thinking that some projects might show up extraordinarily well from the point of view of power production, or they might show up very well from the point of view of flood protection. They might be useful for a period and perhaps the values attained in that period might be sufficient to compensate for loss of value in a later stage of the arrangements, and so on. And there might, indeed, be some projects which were most desirable to one side or the other from the point of view of these technical advantages either in power production or in flood protection benefits, but they might be open to most serious objections because of the flooding of historic sites or the displacement of people, and the like. It is those considerations which were very much in the mind of the commission when they wrote general principle No. 1.

I would like to go on a little bit from that, Mr. Chairman, and give an idea of what we had in mind as to the procedure which would necessarily be followed in the implementation of this principle. You will note that these facilities are to be proposed by the respective countries. The first step, therefore, is that each country would give due consideration to the various possible storage projects within its jurisdiction which it would be willing to have constructed and used in the cooperative arrangements. There is no use, whoever deals with the implementation of these arrangements, having to go into these matters, look the basin over and select their own projects out of it for consideration. That is not a practical procedure. The governments, naturally, will say whether a project can or cannot be built, and if the governments have reached a conclusion that a particular project cannot be built, it is an idle exercise to go on considering it. Therefore, the first step is a nomination of the projects within its jurisdiction.

The second step is to try to keep these projects in an order of merit from the physical point of view. That is, regarding such projects as are nominated the principle provides that it should be done on the benefit-cost ratio; and

the several projects which have been nominated by the two governments, of course,—since we are dealing with the system in the basin without regard at this stage to the boundary—must be calculated on a common basis. That has been done for us. The international Columbia river engineering board was told to take the various arrays of projects which have been agreed on for study in the commission—which are designated in these reports as sequence VII, VIII and IX respectively—with the question of with and without High Arrow added on to each of the alternatives as well. After a very, very careful consideration by gentlemen whom we regard as the best experts in the North American continent on these matters, they laid down a common basis for setting up the benefit-cost ratios of all the individual projects in the system—and that has been done.

The common rate of interest of 3 per cent, for example, was arrived at. This was a little more than the standard $2\frac{1}{2}$ per cent which was then available to the United States army engineers for the construction of projects in the United States. It was a little less than the $4\frac{1}{8}$ per cent the commission and the board had estimated would be the long-term interest rate which might be forecast at that time as being available for the financing of these projects in Canada. At any rate, it is a common rate of interest which is established.

I would like to draw attention to this fact, that we are not dealing, in this benefit-cost ratio, with absolute values of costs; we are dealing with a ratio, and the interest rate comes in both in the calculation of the benefits, the values of the benefits that are to be received, and the values of the costs that are to be incurred in obtaining them. So that to a certain extent at least the significance of the interest rate and the variations that might come in it have been mitigated, if I may use the term, in this benefit-cost ratio, so that even quite substantial changes in the interest rate will only affect, as a second order, the benefit-cost ratio.

Our board looked into that very carefully, both Canadians and Americans, and they have told us in their recommendations that these figures which they have provided, while not absolutely correct, do in fact provide a reasonable basis for the discussion between the two countries.

There was another matter where the board had to reach a conclusion as to how they were going to approach it. In the studies, of course, of a cooperative arrangement nobody knew the order in which the projects would actually be built, so the board had the choice of taking all this multiplicity of projects, running to perhaps 30 or more, arranging them in various orders and then doing a calculation, rearranging them and doing another. The number of permutations and combinations of a system of that sort would have been infinite, so obviously there was no real possibility of getting the kind of information marshalled for guidance that we needed.

The board, therefore, reached the conclusion that in doing this, what I call evaluation of the real values represented by the benefit-cost ratio, the proper thing to do was to treat every project the same; that is, to assume that they were all put into the system as of a given date and operated on terms of equality. They recognize that when it comes to the next process, of verifying the results, then by that time—and if you have the benefit-cost ratios worked out before, and we have the projects which countries are unwilling to build eliminated—we are into a region where we can take an order of construction and we can bring those values into account. Then if the best projects have been selected in the two countries, they will be accelerated in their time of construction and moved up in their storage credit position. In that way we will be putting more values on the good projects and taking them away from the projects of lesser merit, which is a very healthy and useful business to perform; whereas if we did it the other way and allowed some of the projects with lesser merit to get in for early construction, then

we would be taking these accelerated values which come from early construction and putting them on to the bad projects, and we would end up with a lot of bad projects in the system and forever afterwards would have to pay the costs of these expensive projects as a diminution of the benefits that came out of them.

I think this procedure which the board has proposed, and which we have endeavoured to crystallize in general principle No. 1, is a sound principle indeed.

Now, Mr. Chairman, the foregoing gives effect to the following basic assumption, which was made by our international Columbia river engineering board at the inception of its studies in 1944, namely that—and I quote:

The boundary is to be ignored in setting up the physical elements of the best plan for the comprehensive development of the Columbia basin and parts thereof.

That is a quotation from the report of the board. It is the first report the Kootenay, and is dated November, 1950.

Now, I have indicated that information on the projects would be arranged in the order of the most favourable benefit cost ratio, as determined in the manner which I have indicated. I would like to say that this is in accord with conclusion "r" of the board's report of March, 1959, which I quote:

Orderly development of the water resource of a basin normally require that the most economically attractive project be constructed first. This process cannot be followed completely in the case of the Columbia river basin unless cooperative development is made possible by nominal agreement.

That quotation appears at page 110 of the International Columbia River Engineering Board's report, which has been tabled.

I have re-quoted these two extracts, taken from the reports of the board to the commission to show that in these proposals we have put forward we are running absolutely consistently with the advice of the best international group of engineers that we could assemble. There is nothing novel about these principles which are in the commission's report to the governments. They represent a consistent move forward. There has been no reversal in any aspect of this matter. It is entirely consistent and in accordance with what this very fine board has advised us from time to time.

Now, we come to the next phase—that due consideration would be given to the factors not reflected in the benefit cost ratio. Up to date this procedure has been designed to draw out into the foreground the most economical projects for a cooperative development. We in the commission recognize that we cannot have all these projects because of some other sovereignty reasons or protection of places that one country or another does not want to have flooded. I assume that if a country wishes a particular project built out of its proper order in the benefit cost ratio, as above determined, and on the basis of physical facts, it will have in mind the acquisition of special values which may or may not be capable of evaluation in monetary terms; and the country which gets a favour in that way will be willing to exchange other values in lieu, which will be a matter of bargaining between the two countries.

I imagine that in the result there will be some changes which would be agreed upon between the negotiators in the final determination of the storage credit position. It is assumed that in negotiations the best use values could be asserted and in the preparation of the principles the sole restriction under the letters of reference from the two governments of January 28 and 29, 1959, to the commission, was that matters were to be considered within the Columbia river system. That is, in the period of the contemplated agreement, there would be no diversion out of the Columbia system. Of course, there would be diversion from one tributary to another; for example, the Kootenay into the

Columbia at Canal Flats was provided for and, no doubt, the upstream countries would so arrange these projects that diversion from the Columbia to the Fraser would be facilitated when the period of the agreement is completed, and the agreement itself has been terminated. Now, the values that Canada could obtain from the use of the flows down the Columbia rather than down the Kootenay were contemplated; and are specifically provided for in these letters of instruction under which these requests have been put forward.

Now, Mr. Chairman, it must be observed that in the foregoing I have mentioned only projects which are entirely under the jurisdiction of the country itself, which that country may propose, and this does not include trans-boundary projects, which are dealt with specifically and exclusively in general principle No. 3 which, of course, remains subject to article IV of the boundary waters treaty of 1909. No determinations of the benefit cost ratio for trans-boundary projects, or their order of selection, can be made until the entitlements of the respective countries are mutually agreed upon. Under article II of the 1909 treaty, jurisdiction is retained by the upstream country. There is no authority whatever given for raising levels above the boundary.

Mr. HERRIDGE: On that point, was there not some disagreement from the United States—until you presented the case in support of it?

General McNAUGHTON: Your memory is very good. There has been a very strong argument on that point down through the years, but I notice that no longer is there any assertion that the downstream country has a right to flood into the upstream country, without the consent of that country. That has been thoroughly thrashed out, and I do not think there is any doubt about the rights of the two countries in question.

Now, the officials who are charged with the working out of those plans of operation under power principle No. 1 will have at their disposal the usable storages which have been nominated by the two countries, and accepted for inclusion. They will have the agreed credit position which, in accordance with power principle No. 3, our storage is to be made. Under power principle No. 2 the several storages will be operated to give optimum system effects in both capacity and energy in the agreed critical periods. Critical periods for determining capacity are established on the basis that the storages are full at the beginning of the critical period and have again been re-filled at the end; that is, they have been completely used during the period in question. I just mention this. We may have in one storage a usable capacity of 10 million acre feet. That does not mean to say that that storage is going to be used in any one year; it is held over to fill in and supplement during the dry years in order to raise the dependable average over a period of time. Under present existing conditions in the basin—say, the conditions around 1985—it would mean that for capacity we would be operating on a 48-month critical period. That is over two or three years.

It is to be noted that the assured plan of operation, which is provided for in power principle No. 1, is based on the concept that the downstream system will be developed and operated so as to make optimum use of the system flow regulations provided. We do think that in entering into a co-operative arrangement they should undertake to make optimum use. Their representatives, who work out these plans, will have all the necessary instructions to work out these plans; so we will, in fact, get a maximum of good effect in the downstream sections and, automatically, get the highest proportion of benefits available for the upstream country. This requires that the heads are to be maintained in priority from the lower plant to the higher plant, in succession, upstream. Obviously, you want to empty your upper reservoirs first and keep the heads of the other plants downstream up in order to get the maximum generation at every plant. On the average, it

follows that in an optimum plan more use is made of the usable storages in these upstream locations and, therefore, the upstream reservoirs make a greater average contribution through the capacity and energy components than the storages downstream.

All these changes are taken into account in the assured plan of operation and in the analysis of the benefits given to each storage that derives therefrom. I have an example to illustrate this point. I am referring to sequence VII in this report. The pro rated storage effect for Bull river, Libby and Grand Coulee is given. Now, you will recall that Bull river, in sequence VII, is a storage for the East Kootenay, which is used down the Kootenay itself, and it becomes the top storage in the Kootenay system, with Libby, Grand Coulee and other storages below. In that array Bull river has a usable storage capacity of 2.79 million acre feet. Its annual use is 65.6 per cent. Downstream at Libby, which is the second storage—and Libby at that time would naturally be used for generation at site. We find from the studies which have been made that the optimum is obtained when only 17.8 per cent of the Libby storage is used annually. And you go still further down, and these flows have gone into Grand Coulee. It has a usable storage nominally of 5.07 million acre feet. You find by then that there is every inducement in an assured plan, with optimum results, to operate Grand Coulee as near as possible at full pool. And so the storage used is only 5.1 per cent. That is, the further downstream you go the less you want to use. You do not want to use the storage which is low in the system, except as necessary for flood control. You want to use it to keep the head up on the plant and thus get your benefits out of the actual generation at site. So that again tends to show that the contribution of the upstream state, in actual operation, is even much more, and very much more than the ratio of the nominally usable storages would seem to indicate.

The following discussion of storage credit position is given for power principle No. 3 in this report—that is, the December 29, 1959 report, which I would like to read.

Application of the with and without principle involves several significant determinations and procedures to ensure that the upstream storage receives proper credit for its contribution toward meeting the load. Because of the fact that successive units of storage capacity added to a system of projects result in decreasing amounts of regulatory effect per unit, the time at which a project is considered as added to the system in relation to the time at which other storages are added affects the amount of regulatory effect and accompanying firm power benefit with which a particular storage project may be credited. Thus the conditions under which a project is considered as added determines its "credit position".

The vertical line, which is in the chart on the board, represents the system output in the United States below the boundary. This is in megawatts. The megawatt contribution to the power system in the United States is indicated vertically. This is 6,600 megawatts; that is, 6,600,000 kilowatts; 7 million, 8 million, 9 million and so on. Represented horizontally is the amount of usable storage made available in the system from upstream. Whether it is from the Kootenai in the United States or in Canada it makes no difference for this purpose because that storage is evaluated only in this diagram in relation to the usable effect it could have on generation in the United States plants downstream.

Below the boundary there is about 1,210 feet of usable head, on the average, in the system, and these storages are evaluated on that basis.

Now, the first point marked up here is the base system. In a general arrangement of evaluation on the basis of that, you cannot take anything away from anybody that they already have.

There is, as of now, 13.03 million acre feet of storage available to the United States for the benefit of their downstream plants. Therefore in all our calculations we start from that point, with the full use for their own benefit of this 13.03 million acre feet which is available.

I would like to mention that that includes the storage of Kootenay lake which is already under an old order of the International Joint Commission.

That storage was put in many years ago, and the United States was allowed the benefit of that storage, free, gratis, and for nothing.

So we have not in this arrangement proposed to take that away, even if we could. We regard the International Joint Commission order in these circumstances as something which cannot be changed except by agreement, and we do not think it would be practical, as a start in a cooperative arrangement, to try—shall I say—to recover some of the errors of the past. So that is what we have to pay for them.

So we start with 13.03 million acre feet. These are the amounts of usable storage shown up to 40 million acre feet as plotted here. Take this given amount of storage which runs from 13 to 18 million acre feet, that is about 5 million acre feet of storage that is added.

If you carry that line forward, you can read what the total benefit or the total power production in the United States will be. It is about 7,700,000 kw. So the benefit to the United States in terms of firm power is the difference between 6800 as a base and the 7700. The actual amount of that storage of 5 million acre feet gives benefits to that amount.

To give it a little later on in the system, we have already, let us say, 30 million acre feet in the system for the benefit of the United States below the boundary. The amount that that would generate is 8,850,000 kilowatts; and take 5 million acre feet to add on top of that, and that would be half way through here. If you put on that additional 5 million acre feet at that point, you get about 9,050,000 kilowatts. That is the benefit you get out of 5 million acre feet in this system as compared to what you would have if you got your storage early on, in this position.

You will see that the value you are going to be given in this storage, out in here, is something less than perhaps one-fifth of what you would obtain from identical storage, if you had been permitted to get it in earlier.

These are not rubber scales and rubber money and that sort of thing, as might seem at first sight. This is standard practice in relation to the use of storage, in a system which is followed by all the technicians of all the countries of the world.

If you build a storage and put it into operation, then the labourer is worthy of his hire, and he gets it.

And when you add more storage, you cannot take the benefits of storage that has already been assigned away being unfair. That is not the custom. But it has tremendous significance, as you will appreciate.

In these engineering board studies which we have brought to your attention, the storages are evaluated. It could not be otherwise. They are evaluated on the basis that all the storages were added simultaneously.

Let us suppose we come up to this point. The average flow of these storages is represented by that point; and if you want to see what happens to the individual storages, I show you this other line.

We have taken the increment of storage here and divided it by the amount of usable storage, and arrived at the contribution in terms of megawatts per million acre feet.

At this point one million acre feet storage added to the system would increase the benefits by 200 megawatts. And when you come to a point like this and add one million acre feet of usable storage, you are down around 45 megawatts. That is, your benefit per unit has dropped to about one-fifth when you are out here.

So it means that in our dealings with the United States across the boundary, we have a total storage available in Canada of 26 million acre feet.

They have another dozen million acre feet of storage which they think might be put into this joint system. But the critical point in the whole negotiations is not so much perhaps the value in terms of dollars and cents of individual storages, but to see which has the merit to be put into the system first to take all the benefits which go with it.

Take Libby, for example. If it operated at 50 per cent of draw down, that would mean about 5 million acre feet of usable storage. If the United States was able to get us to agree to say that Libby might be the first added storage in this system, then Libby would automatically get a credit for this amount, which is the difference between 6800 and 7700, and that is 900 megawatts.

Whereas, if Libby is considered on the merits, as we understand it, and as these figures in these engineering board reports show, and if it were brought into the system somewhere out here, the 5 million acre feet would only produce a benefit of a little over 200 megawatts. So you can see that when you come to charge Libby costs off against that 200 megawatts credit value, the costs are extraordinary high.

Now just to let people understand that these anxieties I have been expressing in regard to the introduction of high cost storage projects from the United States into our system are not confined to the Canadian members of the commission, it is just as serious to the United States as it is to us to get high projects introduced into the system, and to get them given these credits, because that means the system is burdened forever with these high costs.

This is causing a lot of alarm; I mean this system which has been followed to get projects authorized and to get them built willy nilly, has caused a lot of alarm in United States circles as well. This has recently been the subject of studies by a great private foundation known as Resources for the Future Incorporated. This foundation derives most of its money for these special studies from the Ford Foundation.

I have with me a paper by one of their experts, Mr. John V. Krutilla, who has made a study of this very intricate and involved business of the sequence and timing in river basin development, with particular regard to the Columbia river basin, and to the wisdom or otherwise of the United States seeking to incorporate their Libby project in it.

With your permission I would like to table a copy of this booklet by Mr. John V. Krutilla. I know there are members of the committee here who would like to see this copy. I have with me this morning two additional copies which I could make available to whoever wants to look at them. And after they have seen them—they are rather hard to come by—if they could be given to the library of parliament, I would appreciate it very much indeed.

The CHAIRMAN: Is it possible to have that booklet incorporated in our minutes?

General McNAUGHTON: I think it would be too difficult to do that. But if the members would like to have a copy, they might indicate the fact to the secretary of the Commission and I will telephone to Mr. Krutilla, whom I know, and ask him to provide copies for whoever wishes to have them. We could get them sent up very quickly.

I do not suggest that it be incorporated in our proceedings because, as I say, it is full of involved tables which are difficult. Moreover, it is not entirely germane to our problem. It looks at it from the United States point of view. I just indicate it for its general interest.

Also, I do not want to be held as entirely endorsing the engineering method of approach which is in this pamphlet. It is on the right line. Our studies are somewhat different, although our results are very close together.

You will see there that he takes this Libby project and sets it out in comparison to other projects in the United States, one after another; and he ends up with it—shall I say—being knocked into a loop.

Mr. HERRIDGE: I quite realize that the booklet is far too lengthy to be included in our minutes, but is there a pertinent paragraph or two that might be included in our minutes?

Mr. PAYNE: Would it be possible to provide copies of the booklet for each member of the committee?

General McNAUGHTON: We shall take steps to order them immediately by telephone, if you so indicate it to the secretary.

The CHAIRMAN: Shall I order enough so that there will be one copy for each member of the committee? Would that be asking too much?

The CLERK OF THE COMMITTEE: Thirty-five copies.

General McNAUGHTON: They cost only 70 cents. They are not very expensive. It would help the Ford foundation with a little money.

Mr. HERRIDGE: If they are to be purchased that way, I would be willing to pay for 50 copies personally.

The CHAIRMAN: Is it agreed that we secure sufficient copies?

Agreed.

General McNAUGHTON: Mr. Chairman, in reply to Mr. Herridge's question, I have just opened this booklet at random, and I find one quotation here which I think would be well worthwhile my reading into the record of today's proceedings. It is a passage I marked last night when I was looking through this booklet, and I shall quote from page 25 of Mr. Krutilla's report on the sequence and timing in river basin development, as follows:

The Libby project is the most attractive United States storage project on the upper Columbia when Canadian storage resources are excluded from consideration, costing roughly \$300 per kilowatt when evaluated on a first added basis. This analysis demonstrates, however, that when the possibilities of cooperative development of Canadian storage resources are taken into account, and projects are brought into the system in the order of their economics, the cost per kilowatt of prime power from Libby approximates \$1,028.

That is, the cost would be multiplied some threefold, and the reason for that is that costs do not change. The total of \$324 million which Libby would cost the United States, does not change at all. But the credit it gets in a cooperative project has dropped to one-third of what it would have been if they had managed to induce us to allow it to go into the first added position.

Mr. CARDIN: I wonder if General McNaughton would say that prior to the present negotiations that are going on, the Libby dam project was a condition on the part of the Americans for their participation in the whole Columbia matter?

General McNAUGHTON: I have never heard the matter so stated, even in the strongest statements of the Americans. I have seen the statements of very responsible authorities, and I do not think that has ever been stated.

Mr. CARDIN: It was not a condition?

General McNAUGHTON: The desire naturally on the United States side is to get the best value they can out of any of their storage projects and while we have been getting the details of their storage projects to analyse, their plans for development are in course of evaluation, and each successive list that comes in differs materially from the previous list.

Sometimes the storages that they have had in a previous list are found to be impossible by reason of fish, important recreation aspects or some other flowage restrictions, and they are taken out and something else is put in.

At an earlier meeting I gave you a list of the latest projects that General Itschner, as chief of the army engineers, in this case put forward on January 17 last. I think they will be published in your proceedings.

I pointed out at that time that these storage projects represented a cost that was something more than four times the average cost of Canadian projects, per acre foot. That includes projects up the Snake river, the Flathead, and so on, and around the head water tributaries of the Columbia.

They say that Libby is the best project that can be used today. The term I have heard used by some of our friends, is what they call "a worthy project".

So if Libby is the best of these, as Mr. Krutilla indicates, then the project from an economic point of view is away down on the list, when it comes to be stacked up in comparison with ours.

If you people are particularly interested in this, I can take you very briefly, if you like, over the Libby project and the Canadian alternative, and I can give you the figures.

Mr. HERRIDGE: I wish you would.

General McNAUGHTON: The figures I shall present are figures related to the engineering board reports which are put before you on the basis that all the projects are added simultaneously. It does not take into account—I was going to say—this aggregation of values, or this multiplication of values which comes with a storage credit position. Would you like me to do that?

The CHAIRMAN: Yes, I wish you would.

Mr. HERRIDGE: It would be most interesting. I have received dozens of letters from people seeking information about it. I am sure it would be very valuable information for many people in British Columbia.

General McNAUGHTON: May we move that diagram to one side, please, and might we see one of the sequences, either number 7 or number 9, it does not make any difference. We just want the map so we can point out the way in which these things are evaluated. Perhaps sequence number 9 would be better, because I shall use Bull river-Luxor in sequence number 9.

This is what is known as sequence number 9 development, and it is described very fully in what is set out in great detail in the engineering board report.

As far as the Kootenay is concerned, the works in Canada would be a storage reservoir dam at Dorr. That dam would capture flows, particularly flood flows, coming down the Elk and the Bull rivers, and would impound them in this area. The capacity of that reservoir is just under 900 thousand acre feet.

Then at this point which is, you will note, above where the Bull river runs—it happens to be there because that is the only place where there is a good foundation—this dam would be built, and it would flood back up into and across Canal Flats and into Columbia lake and Windermere lake.

That reservoir would have a useful capacity of about 5 million, or a little over 5 million acre feet.

A combination of the two would mean that there were dams intercepting the flood flows of the principal tributaries which discharge in spate and cause trouble down around Libby here, Creston flats, and Kootenay flats, in this region here, which could be directed particularly to the region around Bonners Ferry.

This reservoir which I put out as a Canadian counterpart to Libby is capable of meeting first, the most important requirement, namely, that people downstream shall be adequately protected from floods whether they are in Canada or in the United States.

Between two friendly nations on the continent which are sharing water resources, it is not possible to conceive as a practical matter that we should go ahead with the construction of these great projects and leave people in danger. Flood protection must be looked at by everybody who deals with these matters as being a necessity. And if you cannot provide it, then you had better look at something else, at other dams which would give complete protection.

The Libby dam is located at about that point. The Libby dam is here. With the dam as proposed by the United States, flooding would not stop at the boundary.

In order to get an economic project they have claimed—and I say rightly from our study of the situation—that it would be necessary to have an extra of 150 feet of head. The head at this dam would then be 344 feet of head, of which 194 feet of head would be provided from Libby to the boundary, while 150 feet of head would be provided by Canada.

Taking that reservoir, as a whole, as an alternative to the Dorr-Bull river-Luxor complex, this reservoir will give a usable storage of over 5 million acre feet. It gives the same degree of protection both locally and for use downstream from flooding, as the reservoir at Libby. There is nothing between the two.

Now, when you come to consider this reservoir from the point of view of these two reservoirs, in relation to power and power benefits, Libby, in sequence VII, gives a total power benefit of 287,000 kilowatts and, on the other hand, Dorr-Bull river-Luxor, used in sequence IX, has a power benefit of 670,000 kilowatts. These are system benefits and not divided between the two countries. They are on the basis in each sequence that all storages are added at the same time, so I am not putting one storage into a preferred storage credit position, as I have explained.

The value of the Libby production, as given in table 4 of this book, is \$11,629,000 annually. That is the power production. And the corresponding value for the Dorr-Bull river-Luxor, in which allowance has been made for some extra cost of transmission, is \$17,939,000. The local flood control benefits of the two are given by our board as identical—\$815,000 each a year.

The flood control on the Dalles, which is away downstream—and the Dalles is the critical flood control area in the United States—Libby is credited in this report with \$4,995,000 of flood control benefit annually. The Dorr-Bull river-Luxor complex is credited with \$5,565,000 annually. From every point at issue you will see that the Dorr-Bull river-Luxor complex has a greater system purpose than the other project at Libby.

What about costs? On the basis of capital cost, Libby is assessed at \$324.8 millions, and the Dorr-Bull river-Luxor combination at \$145.8 million. Libby is more than twice as expensive. Now you can see what would happen, if you did not know what you were doing, and said: we should let Libby go in in the first added credit storage credit position. There is only a certain amount of benefit that can be used; there is only a limited amount of storage which can be used upstream because when you get up to 30 million acre feet of use in the system it is not increasing. Beyond a certain point it is completely uneconomical to build storages. So, if you take an expensive storage and jam it in for sentimental or friendly reasons, or any other reason, into your system in a high priority position, what does it mean? It means merely that you have caused a better storage to be thrown out of the system altogether, and for all time.

Now, if you work those figures out on the benefit cost ratio—on the 3 per cent basis—you will see that the annual cost to the United States for the operation of Libby runs to \$13.7 million, whereas the annual cost of the operation of the Dorr-Bull river-Luxor is \$6.857 million. That is on the 3

per cent basis and, of course, when we come to project justification, it would have to be brought up into the greater rates of interest, which we would have to pay. Incidentally, the United States will probably have to pay more than the 3 per cent. It has been pointed out in our talks in connection with some of these other projects, particularly the Passamaquoddy, which I mentioned the other day, that there is probably no more $2\frac{1}{2}$ per cent money available for the United States public power projects; it would be more than that. So that, making our comparison on the basis of the I.C.R.E.B. figures, we are not far out. That works down to a benefit cost ratio which is in favour of the Dorr-Bull river-Luxor—a good deal more than two to one, as compared with Libby.

I do not know whether or not I have provided sufficient information, but I can provide an extract of this table.

Mr. HERRIDGE: I would like to ask one question at this point. In taking the flows of the Kootenay and sending them north through this project, what would be the relevant increase in the value of power production as compared to letting the Kootenay flow in its normal course; and if you do this will it affect the operation of any present operations on the Kootenay river?

General McNAUGHTON: Mr. Chairman, in my appearance before the committee on April 23 last year I sought to provide the specific information which would answer Mr. Herridge's question. It is given in the form of a series of tables which were attached, and which you were good enough to have reproduced. It gives the figures for all of these. Sequences VII, VIII and IX related to projects which are above the Arrow lakes on the Columbia, and above the Brilliant plant of the Caminco low down on the Kootenay before it drops into the Columbia at Castlegar. We took all the projects, including the ones on this loop, right around from here to there, as the three alternatives that had to be considered. Then we abstracted the relevant information from the engineering board report, which is all tabulated for convenience of reference. I can tell you the net result, but it is on record and you have it. If you wish, I can have it reproduced again in any form which the committee would like. However, it is all there. It means that if these flows in this Bull river-Luxor reservoir, which we have suggested in sequence IX, are used in the most advantageous way for Canada—and we have every right to do this—that is, down around the Columbia, these plants in Canada will have a net additional installed capacity of 704 megawatts or 704,000 kilowatts. Now, that is substantially the installed capacity of the Ontario section of the power used at Barnhart. So, you can see what this Dorr-Bull river-Luxor means to Canada and to British Columbia. The existence of that reservoir adds to the capacity otherwise available a net amount equivalent to half the capacity of the St. Lawrence at Barnhart. I think that probably gives a picture of the vast importance and significance of that particular storage. Now, it means that at these various plants—Mica, Downie creek, Revelstoke and so on that without this reservoir—and the dams would be built anyway, and a certain amount of power would be installed. To get the addition of this regulated flow, the only costs which are involved are comparatively small. However, I was not going to take up the time of the committee this morning with going over those costs again—unless you want me to do so, because the costs are authoritative. They are taken out of the engineering board's report and are on record in the proceedings of your committee. If you like, we can reproduce them.

Mr. HERRIDGE: We have those in the committee reports of last year. However, I would like you to explain to the committee what effect this reversing of the flow would have on the present installations on the Kootenay, and would their operations function normally?

Mr. LENNARD: Mr. Chairman, we have just about reached the deadline, and I was just wondering if you wanted to stop in the middle of a subject.

Mr. HERRIDGE: Will it take very long to answer my question?

General McNAUGHTON: I can answer that briefly in about five minutes.

The CHAIRMAN: Proceed.

General McNAUGHTON: Since the question has been raised, it is probably desirable to answer it.

The plants that are built on the Kootenay—the West Kootenay plants—were built many years ago. They have been maintained extraordinarily well and, within their capacity, they are efficient producers of electricity. They make use of the head in the West Kootenay river downstream from the Kootenay lakes, all the way through the lower plant at Brilliant. There are five plants in a row, and the city of Nelson has another small plant which is offset on one side. At the moment there is no storage on this, except the storage at Kootenay lake, which is operated under an order of the International Joint Commission and provides regulated flow down the roughly 360 feet of usable head in the West Kootenay plant. The benefit in that amount of head which they get from the regulated flow to which the West Kootenay and Cominco plants have a right, because of the fact they undertook the excavation of the narrows in this section of the river, which was the limiting factor in the back water into Idaho. Channel improvements had to be done there before we could raise the level of the available storage. That cost was paid for and it was one of the conditions that we have a right to that storage. It is bought and paid for. With the present storage on that lake, the maximum flow, in what we call the open gate flow, in any of their plants along this section of the river is about 13,400 cubic feet per second. The plant at Brilliant, which is down here, has the Spokane river coming in from the north, and their open gate for the three units they have installed is exactly 13,500 cubic feet per second. The mean flow at that lake, as it is at the moment, is about 27,000 cubic feet per second. So that the best use that we are getting out of these plants on the river is only about one-half the energy which goes down the river. And I am not saying that we can get more than that until more storage is provided. However, when it is provided it is a matter for the public to determine how that storage is going to be used in order to get the best advantage for the public of Canada. This is a very, very important matter for us. As I say, there is roughly 360 feet of usable head in this section. If the Murphy creek dam were built here there would be about 15 feet of back water, and the effective head across at Brilliant would be 345 feet. Now, the head from the two routes, which we have illustrated, that you have stored there, you can either use around the Columbia and through all the plants here—Calamity Curve, Mica, Downie creek, Revelstoke, the Kootenays, and probably in the future a plant at Arrowhead, and then through the plant at Murphy creek. There is no contemplation of any head used for power in any of the High Arrow projects. In that case you have practically a complete use—all except maybe 50 feet—from an elevation of 2,700 down to 1,325, which is the tailwater of the Murphy creek plant at this point. It is represented by practically a continuous red line on this diagram. Supposing the water was used the other way around. The dam would then be at Bull river, and it would not be quite as high as the one in sequence IX. It would be about 20 feet lower, and it would be used from 2,660 to the tailwater at Bull river at 2,459. And there is the 150 feet of head which we have been invited to donate to the United States. And then 565 feet of head along the loop of the Kootenay here. You can see that if we do this and Libby is not developed, as it may not be, and none of the other plants would be there, the costs are too great for them. This water, to be given to the Kootenay plants, would have to be used through almost twice as much head, and it will be wasted before it gets near their plants. So, the Canadian governments, British Columbia or otherwise, which

have control of that water, will have to say: we are sorry; nobody is going to take anything away from you; you have all the rights that you have acquired under the water rights, and so on; but when it comes to a new project the water must be used in the way in which it gives the most benefit to Canada, and if we try to keep up your flows and increase the flows down here, we are going to waste two-thirds of the energy before it gets near one of your plants.

That is the situation, gentlemen. Even if they were 100 per cent efficient on the West Kootenay they still, from the point of view of the use of Canadian energy, are only 30 per cent efficient. If you would look at these figures of cost which I gave, you will note that if they were to have more flow put down this river they would have to do a development, which would involve a very heavy expenditure. The figures are given in that table which I have quoted. Whereas, up here, to use this additional water, it is only a matter of the implemental cost for the extra generation, which may represent 20 per cent of the actual cost otherwise involved. You will see what that means if you look at the figures in that table.

The CHAIRMAN: Gentlemen, it is 11 o'clock. This meeting stands adjourned until 9.30 on Friday morning. We may have a meeting at 9.30 on Monday morning; however, that will be worked out at the Friday meeting.

HOUSE OF COMMONS

Third Session—Twenty-fourth Parliament

1960



STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

FRIDAY, MARCH 25, 1960

ESTIMATES 1960-61 OF THE DEPARTMENT OF
EXTERNAL AFFAIRS

WITNESS:

General the Honourable A. G. L. McNaughton, Chairman, Canadian Section,
International Joint Commission

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.,

Vice-Chairman: F. E. Lennard, Esq.,

and Messrs.

Aitken (Miss),
Allard,
Batten,
Cardin,
Cathers,
Crestohl,
Eudes,
Fairfield,
Fleming (Okanagan-
Revelstoke),
Garland,
Hellyer,
Herridge,

Jones,
MacLellan,
Macquarrie,
Mandziuk,
Martin
(Essex East),
Matthews,
McCleave,
McFarlane,
McGee,
Montgomery,
Nesbitt,
Nugent,

Payne,
Pearson,
Pratt,
Regier,
Richard
(Ottawa East),
Slogan,
Smith
(Calgary South),
Valade,
Vivian—35.

Eric H. Jones,
Clerk of the Committee.

CORRIGENDUM (English Edition only)

Minutes of Proceedings and Evidence No. 5, March 16, 1960.

Page 151, line 7: immediately before "continent" insert "order of magnitude to the resource development of this".

MINUTES OF PROCEEDINGS

FRIDAY, March 25, 1960.

(9)

The Standing Committee on External Affairs met at 9.30 o'clock a.m. this day, the Vice-Chairman, Mr. Frank E. Lennard, presiding.

Members present: Miss Aitken and Messrs. Cardin, Cathers, Crestohl, Fairfield, Fleming (*Okanagan-Revelstoke*), Hellyer, Herridge, Jones, Lennard, Macquarrie, Mandziuk, Martin (*Essex East*), Matthews, McCleave, McFarlane, McGee, Montgomery, Nesbitt, Payne, Pratt, Richard (*Ottawa East*), Slogan, Smith (*Calgary South*), and Vivian.—(25)

In attendance: of *Canadian Section, International Joint Commission:* General the Honourable A. G. L. McNaughton, Chairman; and Messrs. D. G. Chance, Secretary; E. R. Peterson, Engineering Adviser; and J. L. MacCallum, Legal Adviser: and of *the Department of External Affairs:* Messrs. J. H. Cleveland, Head, and J. M. Cook, American Division; and J. H. Stewart, Head, Finance Division.

The Committee resumed its consideration of the 1960-61 estimates of the Department of External Affairs.

Continuing on Item 105 relating to the International Joint Commission, General McNaughton resumed his statement on the water resources of the Columbia River basin. He was questioned thereon.

The Vice-Chairman having announced that neither he himself nor the Chairman would be able to attend the meeting of the Committee on Monday, March 28th, the Committee agreed that the Vice-Chairman appoint an Acting Chairman of that meeting.

At 11.00 o'clock a.m. the Committee adjourned until 9.30 o'clock a.m. on Monday, March 28, 1960.

Eric H. Jones,
Clerk of the Committee.

EVIDENCE

FRIDAY, March 25, 1960.
9:30 a.m.

The VICE-CHAIRMAN: Gentlemen, we have a quorum and I think we should continue immediately with the business, because it will take some time and General McNaughton will not be here after Monday next. Those of you who are inquisitive and have questions to ask, will have your opportunity either this morning or on Monday next.

We will continue now with item 105 of the estimates relating to the International Joint Commission.

General McNaughton?

General A. G. L. McNAUGHTON (*Chairman, Canadian Section, International Joint Commission*): Mr. Chairman, I think I had, in my previous appearances before the committee this session, covered the matters which I thought I should take the initiative in raising, in order to give information. What I think might be useful at this stage is if members would be good enough to put any questions to me which they have on any aspect of the matters which we have had under discussion, and that would certainly give an indication of where your interest particularly lies, thus enabling me to focus on those points upon which you want information.

Within the limits of my authority to speak—that is, on anything which directly comes out of the work of the International Joint Commission, or out of our engineering boards, or information that bears on that—that information is yours, and I will do my level best to provide it as completely as possible. The one part of this matter I have no authority to speak on, as I have mentioned, is the part that pertains to what is going on in the negotiations between the two governments. That is a matter for which the governments have a direct concern and a direct responsibility. Having provided the answer to the governments' request for the principles under which those negotiations should be carried out, we of the Commission are not directly concerned, and I think we have to be extremely careful that no casual remark that one might make might prejudice the conduct of those negotiations, so, I must, I think, and I am sure the committee would, because of the great importance of this, be sympathetic with me in not getting involved in the negotiation aspect of these matters. But I wish you to feel that I am entirely at your disposal and I will try to answer fully and frankly any questions which you care to put to me.

Mr. HERRIDGE: Just before the other members start to question you, I do want to say—because there was not sufficient time at the last meeting—that I was very pleased indeed to hear General McNaughton's explanation of the various schemes and matters related to the Libby dam because the operations of the Consolidated Mining and Smelting Company are very, very important to the Kootenays. I was glad to know their needs for power were provided, and that the flood protection sought by the people around the Creston area is also provided by the scheme.

General McNAUGHTON: What Mr. Herridge has drawn from my remarks is absolutely correct.

If I might have the general map of the area on the board—it does not matter which sequence—I would like to emphasize that position. The international boundary line crosses here. The plants to which Mr. Herridge refers are on the West Kootenay, and they are these five plants in a row here, with Corra Linn at the top and Brilliant down here. They depend on the flows of the Kootenay river down this way.

Now, the sensitive area which Mr. Herridge mentioned is the Creston Flats at the foot of the Kootenay lakes, and the Idaho Flats on the other side of the boundary.

Now, the first essential, quite rightly—as Mr. Herridge refers to—is one of protection; and protection in this country for the people is a matter of providing storages that can intercept the flood flows and hold them until the normal flows of the river have fallen a bit, thereby releasing them in a way that is not damaging.

There are two ways in which the protection of these vital areas can be provided. One is by accepting the United States proposition that the dam should be built at Libby on the Kootenay, and that it would provide a reservoir which would capture the flows not only of the Kootenay itself but of Bull river and the Elk, which are two large tributaries not shown here, which contribute rather largely to the flood flow. The reservoir capacity of Libby may be 5 million acre feet of usable storage, which is an amount adequate to give complete protection not only now but into the future, for the benefit of these areas of which I have spoken. It also contributes materially to the reduction of the flood flows at the Dalles, down here.

Now, on the other hand, the alternative to Libby is the reservoir in this section of the country known as the Dorr-Bull river-Luxor reservoir. That reservoir has almost exactly the same usable storage capacity as the proposed Libby reservoir; that is, it is thoroughly adequate to meet the occasion and to serve the purposes which are required. It differs from the Libby in this respect, that that water is stored higher up in the basin and, in consequence, there is more usable energy in the reservoirs for the purpose of regulation. There is substantially more. And it differs in another respect as well, which is vitally important to the economics of the whole of the proposals, namely that the capital cost of the Libby reservoir is some \$324 million. The capital cost of the reservoirs, if they are placed in Canada, is just somewhere between \$110 million and \$115 million. The result is that it is an entirely economic proposition, to store the water here. Down here at Libby, if that were accepted, and if it were introduced into this general array of projects and sequence, if it is put in the way the Americans would wish as one of the first added projects, it would destroy the economics of the whole proposition as far as Canada is concerned.

I point this out, and to show that I am not alone, I have brought and hope to have copies available to put before you, a paper by Mr. Krutilla of a foundation which is done in an entirely independent investigation of these matters and whose conclusions, while they do not follow exactly the process of the engineering board in carrying them out, comes to the same result, namely that if Libby were introduced, and if the whole business belonged to the United States, Libby would be a wrong proposition to introduce on grounds of economics because the results would be very serious indeed. It would be very unfortunate.

Mr. Herridge mentioned the Consolidated Mining and Smelting Company. One of the points which that company has raised from time to time against the sequence we have is that if we put in the Murphy creek project below Castlegar, and raise the level to 1,402, which is the proposal, there would be backwater against this Cominco plant here at Brilliant. It is perfectly true that raising the water to 1,402 will put, on an average, 15 feet

of backwater against that plant. However, that does not result in any loss of power whatever; it means that the head which would have been used there would have been transferred to Murphy. This means, the head being put here, it is not only the flows that go down the Kootenay which come into it, but the flows down here as well. The flows here have the immense benefits of the large regulation provided by Mica, and this route down the other way. Actually, the flow here should be about one-third of what there is at Murphy Creek. The plant uses only about one-third of that one-third, as it stands at the moment; and if it were moved—if the power were moved here the power production, by reason of the greater flows and the raising of the level—this 77 feet—would be multiplied a dozen fold, in round members.

So there is no real disadvantage in moving in and putting the backwater at Brilliant, because all the power is recovered many times over at this point here at Murphy Creek.

Mr. Herridge also spoke about the importance of the Cominco Company's contribution to the economy of the area, which all depends of course on power.

In the Canadian sequence which we have proposed to the commission, namely in sequence 9, there are a series of power plants along the flows of the river right here, and down here on the Okanagan at Oliver. That is the place we have found to be most convenient for the Americans to return our share of the downstream benefits of any regulated flow we provide for them.

The result of that is that this industrial area around Trail will have a ring of great power plants around it in the future, if our plans are carried out, and in place of being dependent on the comparatively minor power which can be generated from the Kootenay, which is an expensive power installation, it will be the centre of a ring where there will be, roughly, 4 million kilowatts of installed capacity within convenient transmission distance.

It seems to me that that prospect should be kept very much in the minds of the people in the region, as to the tremendous potentialities which this scheme for development will confer on them.

Remember that these plants are within very short transmission distance of the centre of power used down here. And I also foresee that there will be very considerable industrial development requiring cheap power right in the vicinity of Revelstoke, both of the areas which one thinks of as getting very large industrial benefits from this.

But if the company takes the short term view of this and says, "We want them to develop the Libby project in the United States,"—as indeed they have said—the result of that is of course that since Libby is a tremendously expensive project—and you cannot get benefits for nothing—it would have a very deleterious effect, to say the least, on the economics of the whole arrangement.

It is perfectly true that if Libby were to be built by the United States and provided to Canada, and that the people here were allowed to take the by-product value of that development without any compensation being made for it, that is, to take it as an aid, the company then would gain very materially. But if you are going to let the company gain from that, you must remember what the public of Canada, and of British Columbia in particular, are going to lose.

It means that the water which we might have stored up here, and which is only needed proportionately to the height of the plants here, will naturally be used. The head here is only one-third of the total between that point and that point. So even if these plants were working at 100 per cent efficiency, they would get out of it only one-third of the flowage which belongs to the province of British Columbia.

It is not that the United States would get it, because these plants are uneconomic, every one of them. And if they had been just that—of course this is an idle head of 560 feet or so, out of 1500 to 1600;—and even if they do develop it, it would come into the system as a high cost component. Have I made this point clear?

Mr. HERRIDGE: Yes, very clear indeed.

General McNAUGHTON: Mr. Fleming asked a question as to the difference between the sequence which contains the High Arrow and the sequence which has the Low Arrow or Murphy creek in it.

Mr. HERRIDGE: That is a good question.

General McNAUGHTON: I would mention in reply that the introduction of the High Arrow, low down here, would put the water into storage at this point, and it would have a rather serious effect on the benefits that we would get which could be attributed to Mica.

Overnight we looked up the engineering board reports to find out just how much that benefit is.

Mr. Fleming also asked what effect that might have on the two plants below Mica on Downie creek and the Revelstoke canyon plants. I am prepared to give those figures.

With the High Arrow in place and used, the production at Mica—the attributed production with which it would be credited—is 1,322.7 million megawatts; whereas if High Arrow is left out and Mica does the regulation, then the attributed power is 1,475.2 million megawatts.

Now, as regards Downie and Revelstoke, neither of those plants has storage for the purpose of regulation; so they have to take the flows which come to them, and it does not make any difference to those two plants whether High Arrow is in or not. It is a matter of indifference, because it does not affect the matter. I hope that gives Mr. Fleming the answer that he wanted.

Mr. PAYNE: With respect to the proposed Dorr diversion, there is a basin established north of Dorr up to approximately the Bull river. What would this mean to the Libby project? Would they have any power potential left with this dam at Libby?

General McNAUGHTON: I would be glad to answer that. Would you please put up No. 9 map? This chart shows what is known as sequence 9 of the X international Columbia River Engineering Board study. Dorr is located about 10 to 15 miles above the boundary, and the proposal for Dorr is that the dam would be comparatively low, and the flowage would be up against the tail water of the Bull river dam which is here.

One of the important reasons why Dorr is brought in—it is not altogether because of the development of the diversion through Canadian channels—is that the flows are more effective up this way; they would point this way.

It is very closely associated with the matter of providing flowage control in this region of Creston flats and this area here, and around Bonners ferry down here. Dorr is needed in order to intercept the flows of the Elk and Bull rivers and put them in a reservoir and hold them over the flooding period before they are released.

The question was asked if this proposition is used, what effect would it have on the United States.

We suggested to the United States engineers that they should consider—may I have the elevation plan—reviewing the costs of their Libby project.

The Libby proposal came to us in the commission in the 1954 reference, and it provided for the use of between 190 and 194 feet of head in the United States flooding into Canada to 150 feet at the boundary. And the result of

that basis is that 35 per cent of drawdown would be usable storage, or 4 million acre feet, which corresponds almost exactly to what we can get out of the Dorr-Bull river-Luxor for a similar proposition requiring Canada to hand over to the United States 150 feet of head.

We suggested to our American colleagues that they should first of all consider what they might do. There is a head of 190 or 194 feet, and it might be possible, since we have no damsite just above the boundary—the first damsite which is practical, as far as we know, is at Dorr, so there is some 37 head there—it might be reasonable to let them have that 37 feet to add to their other heads.

We asked them to give consideration to the working out of some proposition of a sort in which we might do something to help them but not to expect, of course, the ruining of our own proposition. These studies were carefully made, and we have had on the authority of the chief of the army engineers himself, General Itschner, the proposal that to build Libby to the boundary is entirely impossible from an economic point of view.

He stated that the same proposition applies to the Libby to flood up to below the waters of the Dorr reservoir, that is, to flood 37 feet. But in the sequence it appears that that is unlikely to happen unless Canada should give away some of her own resources, which I think is highly unlikely. I mean, we are very friendly, but I do not think that friendliness should go to the point of destructiveness or depletion of our resources. So it becomes quite impossible today to deal with them to our economic advantage, and the reason for that is not of our making. The reason for that is the lack of economic possibilities in that section of the river as a consequence of developments which have taken place in the United States itself.

This pass on the Kootenai has been used down the years primarily for communication purposes. The Great Northern railway runs through there with its roadbed located close down to the water line.

Even if you build a small dam, as I mentioned before, it means that many miles of railway would have to be relocated, and that is an expensive proposition.

We know that every possible site on that river in the sequence in the United States has been most carefully analysed.

The first site below Libby is at a place called Kootenai falls, where there is the possibility of developing about 160 feet of head. And if you look at the table which I presented in your proceedings No. 7 of last year, you will see that the benefit cost ratio of Kootenai falls is just about one. There is no storage for flood control, and there are no incidental benefits. It is purely an at site run-of-the-river plant, and the most you could expect to get out of it is relatively about the equivalent to the cost.

There is another site a little further down called Katka, which has been studied for 100 feet of head development, and which is in an even lower economic position than Kootenai falls. In every sequence that has been studied for it that we have seen, Kootenai is an uneconomic project. I mean, the costs of getting power out of there are more than the value of the benefits which would be received.

It is perfectly true that these calculations of which I mentioned and which are just the benefit cost ratios, have been evaluated on the basis of average flows of all these plants added simultaneously. We have not taken into account, and we have rightly not taken into account, the tremendous advantages to the values which come with the assigned storage credit position.

Mr. McGEE: While you are getting that other chart, I have a question. It may have been asked before. But with respect to these railway lines which would have to be relocated for the benefit of the Libby development, how economic are those lines? Are they increasing, or decreasing, or otherwise?

General McNAUGHTON: There is an indication that the United States informally suggests that they have more railroad lines across the passes than they actually require, and that they might be willing to scrap these lines and not replace them. But naturally, I must say that suggestions of that sort are entirely informal. There has never been a responsible suggestion that they would be willing to do that, and I cannot conceive of it.

That is one of the best roadbeds in the country. I refer to the Great Northern. People who are familiar with that railway will know that it is one which is very much used.

Mr. MCGEE: It is a busy and active line?

General McNAUGHTON: Yes, and it has some of the best connections of the west, so I cannot conceive, even for these power benefits, that the railroad or the country itself would forego it for these benefits. Most of the cost of this, as I have said, would be relocation cost.

Mr. PAYNE: Might I just confirm my assumption relative to the Dorr diversion. We could offer 37 feet of head at that location for downstream on the Kootenai to the proposed Libby area, but this is an uneconomic proposition to the United States.

General McNAUGHTON: It has been carefully studied, sir, and we know from the reply made to me by the chief of the army engineers in person across the table in the commission, that it is not an economic proposition for them, and they refused it.

Mr. PAYNE: Going over and above the supplying of 37 feet of head would adversely affect the Dorr diversion program back along the Columbia?

General McNAUGHTON: That is correct, and the impact of a change in that program, in a real economic analysis, is almost as serious to the United States as it would be to us.

Mr. PAYNE: Thank you.

General McNAUGHTON: Now, as I have mentioned, these assessments for the preliminary studies had been carried out by the board on the only basis which was possible, because none of the timing of the construction of the project was known. The project had to be evaluated as being built under simultaneous conditions of timing, finance and so on. That means they are all credited with average values.

This curve is the curve of values per million acre feet in terms of the power that results at a storage of forty million acre feet in the basin. The value is around about 200 megawatts per million acre feet. That is the contribution to the United States below the boundary which would result from that point. The average value is something in the order of a little less than 50 megawatts per million acre feet.

What the proponents of these proposals in the United States have counted on is that we would, if we consented to Libby, have to consent to the consequences and that is that Libby in place of being put in with the rest of our projects would be given a first position. In other words the average flow of about 50 megawatts per million acre feet would be jumped three or four-fold.

I would like to mention the consequences of that; it may not be quite obvious. You cannot make something out of nothing. There is only a certain amount of total benefits from storage which can possibly come from its use. When you start adding storages your values first begin to go up very materially and then if you add more and more storage the increment becomes progressively less until you get to this point here on the chart where it is about forty million acre feet and the gain is practically nothing at all. I only have calculated to that point. But we have extended it to the fifty million acre foot order of storage contemplated in this report. The total value of that storage in the

system does not go above this point here. Now if you were to agree that the United States should build this Libby dam and that they should have it as first added they would at once get these higher values credited to them and of course the project would become a remunerative project; but it becomes a remunerative project by taking power out of our system.

If we consent to flooding across the boundary we would not only be giving them some physical advantage in the basin but would be putting them in the position of taking our resources out of our pockets and putting them in their own pockets.

Mr. PAYNE: Then the highest and best use of the project is contingent upon the Dorr diversion?

General McNAUGHTON: Yes. I can perhaps illustrate that by giving you some figures out of the engineering board report on the costs of the power in the two sequences. Gentlemen, you have this report or it is available in the committee. I am quoting from the engineering board's report of March 1959, the main volume at page 102. I am dealing with the average period, the twenty year period. If the flows of the Kootenay are used in their present channels and the Libby dam is built, the cost to the United States per kilowatt year would be 23.88 cents, whereas if we were to make the Dorr diversion their costs would fall to 22.18 cents. Now the difference of cost of 1.70, which it is, does not appear to be very large; but this extra cost if you apply it to the overall product downstream in the United States of something of the order of seven or eight million kilowatts adds up to a very comprehensive figure. In this table there are other comparisons, if you care to look at it. It is on page 102.

Mr. Peterson points out the figures in respect of those amounts of power are given right in the table itself, and they are somewhere in the order of six million kilowatts on which that difference applies. Six million multiplied by 1.70 per annum is a sizeable sum in anybody's language.

Mr. HERRIDGE: I apologize for continuing to ask questions, but I have had hundreds of letters and dozens of them say please ask General McNaughton this and that. Could the general explain to the committee what would be the general effect on the Arrow lakes of raising the level to 1446 so far as draw-down is concerned, and its effect on established industries?

General McNAUGHTON: The charts of the Arrow lakes are on the board and the belt of land between the proposed elevation of Murphy creek at 1402, that is the full pool elevation, and the High Arrow at 1446 elevation are shown in the dark orange colour. The regions covered by the flooding which would occur with the 1402 elevation are shown in yellow.

On previous occasions I have given the numbers of people who would be displaced by these various flowages. The elevation of 1402 is the present flood level. It is the level that the floods would go to under normal circumstances without any change in the river at all. So the flowage in that yellow area is something people have learned to expect and to live with. Apart from the south-easterly side of Castlegar the effects are not serious. There is a sawmill in the south-eastern part of Castlegar and we have been told by our engineers that at level 1402 it is not too difficult to build dykes to give that sawmill the protection it would need. Therefore, so far as we are informed, 1402 does not represent any serious flowage problem.

On the other hand in respect of this higher elevation—and Mr. Herridge will know this much better than I do—I have been over the area myself on numerous occasions and it has always seemed to me that that proposition was pretty closely tantamount to extinguishment of civilization in that area. I am told that in recent reviews by some of the officials of British Columbia it is shown there is arable land above the flow line which could be developed, but I must say very frankly it was not shown to me when I went around the area.

Mr. HERRIDGE: And I have never seen it.

Mr. MCFARLANE: Apparently from the information General McNaughton has given us it is almost apparent that the Libby dam has been written off as too expensive for the amount of power we are going to get out of it.

General McNAUGHTON: I agree with the last part of your statement. It is too expensive for the return we would get, either from the United States or Canadian point of view. Whether or not it has been written off is something else again, because this business of what they call the storage credit position is still open and this is an entirely arbitrary matter, first in time being first in right.

If Canada were to stand to one side and see the United States build Libby, the immediate demand would be "we will build it at once and get the first credit position for it in the allocation of the benefits". If that were to happen, if we were to allow that to happen, the benefits that we expect to get from storage over the whole business would be concentrated on Libby to a very large extent and the storage credits would go up 2, 3, or maybe more fold.

Then by that arbitrary action, if you are unwise enough to accept it you would have Libby there forever drawing off all the storage benefits from the system. In my judgment and that of some of my colleagues, we might as well drop this thing then and there and turn to the development of the basin ourselves at a little bit more expense but get our own benefits for ourselves. I am not trying to use this term as any indication of "unopenness" in the dealings, or anything of that sort; but this whole system of being first in time and first in right is an established principle. All power systems work in that way. For a little bit of storage put in early you get a very large benefit, and having financed those projects and having built them on the basis of that storage credit position, it is not right to take it away.

The thing in our case is to see a little bit ahead as to what happens if we give way and give up our sovereignty, because we do not have to allow them to build Libby. There are only two ways Libby can be built. One is that the International Joint Commission under authority given the commission by the treaty of 1909 under article 4 of that treaty should say this is a good thing and the United States should be allowed to take 150 feet of Canadian head at the boundary and turn it to their own account for due recompense—whatever due recompense may mean. Or if the governments should not be satisfied with the commission the governments themselves have authority under the treaty to take it out of the hands of the commission and make an agreement of like sort.

Fortunately these matters are under consideration and may I say I believe the only reason we are in the position of considering this at all is because of the interest this particular committee has taken of these matters in the last ten years, and the opportunity which has been given to the members of the IJC to explain the realities of the position and what is at stake to you and through you to the people of Canada.

I do not believe we would have a stake to work on if it were not for this committee. That is my honest conviction. The danger of all this is that these considerations are not generally capable of being understood by the general public. They do not understand things like the storage credit position. It is a very involved and intricate matter. The consequence of this is that we might very easily make good fellows of ourselves by saying, "what is 150 feet of head to the likes of us; we have lots of head; why not be good neighbours and hand it over?" If you do that—

Mr. MONTGOMERY: It is gone forever.

General McNAUGHTON: Yes. Then it would belong to them in perpetuity. It would be different if it was something they were capable of using to great advantage in a cooperative scheme; but that is not so. They can only use it and

gain advantage, provided we not only give them the head but a credit storage position that goes with first added; and, because there is only a certain benefit to be divided between the two countries, it means giving them most of the benefits which we need to apply to our projects throughout the system.

Mr. MATTHEWS: I would like to ask the general if that is a solid front on the American side—the determination to go ahead with Libby; or have we made certain friends down there? Is there any hope of a solution within the near future, or is that asking too much?

General McNAUGHTON: I would like to say, like everything else, that eventually truth, when it is asserted, will penetrate through even to the most obtuse.

Earlier I read one paragraph out of Mr. Krutilla's pamphlet, of which I hope to have copies available on Monday for each member. May I say again that the alarm and anxiety which we are causing in Canada in relation to the Kootenai development is being generally shared by independent authorities throughout the basin. One of the exponents of this view, who wants the truth brought out and the arrangements made on the basis of truth, is Mr. Jack Stevens, a consulting engineer of the Puget Sound utilities. He is one of the foremost consulting engineers in the west. His figures of the real values of the Canadian storages are very close, indeed. We have Resources for the Future Inc. backed by the Ford Foundation, which is a public corporation set up for the investigation of problems of general interest to the American people in relation to resource development. They have been very much endowed with money from people who have made it their business to get the truth out so that the American public could get through some of the flim-flam that has been going on.

This is the story. May I read it again? I read one paragraph yesterday, and I should have read those paragraphs which follow. May I do so now? It is at page 25, and runs over on to page 26. Members will be able to read this for themselves when given their copies on Monday:

The Libby project is the most attractive United States storage project on the Upper Columbia when Canadian storage resources are excluded from consideration, costing roughly \$300 per kilowatt when evaluated on a first added basis. This analysis demonstrates, however, that when the possibilities of cooperative development of Canadian storage resources are taken into account, and projects are brought into the system in the order of their economics, the cost per kilowatt of prime power for Libby approximates \$1,028.

That is three-and-a-half times greater, due to storage credit position, because the cost remains the same but the value which is attributed to it has dropped to less than one-third.

By disregarding the economic order in which projects are to be brought into a system, and by comparing only total system benefits with total system costs, the relative costs and benefits of individual projects are lost. Such a procedure can result in the initiation of relatively costly projects when there are more economical alternatives available, or even the development of projects which are not economically justified.

The advantages of considering the sequence of development are clear, as a method of estimating immediate costs and benefits taking the Columbia river basin as a whole. It also seems clear that such sequential analysis is essential to intelligent longer term planning and to safeguarding the separate interests of the two nations involved. But both of the latter considerations involve other questions, some of which are still little explored.

That gentlemen, is what I have been trying to explore with you.

Mr. MCGEE: What is the title of that book?

General McNAUGHTON: River Basin Development, by John V. Krutilla.

Mr. McFARLANE: In view of the long negotiations that have been going on over this Columbia river deal, I would like to ask the general the effect it would have had on United States interests if we had gone ahead with the plan of the Dorr diversion on our own. Would that have had any effect on the interests across the line?

General McNAUGHTON: I can answer that under the treaty of 1909, in the case of the Kootenay, which is a river flowing across the boundary, the jurisdiction and control, whether to divert temporarily or permanently, lies with the upstream state, and we have a right to build a dam across Dorr if in the wisdom of British Columbia and Canada they decide to do so. The actual benefit of it would have been this—that Libby probably would have been built and then would have acquired these immense first added storage credit advantages of which I have spoken, and forever afterwards it would have been there as part of the basic system, against which we would have had to compare our figures; and we would have had no proposal now for a cooperative development to share equitably the resources of the basin.

Mr. CARDIN: If I understood the general correctly the other day, he stated that the cost to Canada for the Columbia river project would be in the order of approximately one billion dollars, and that that would be a project which should be put into effect at this time as a unit.

General McNAUGHTON: Yes, but I think I went on to say something else. May I correct that. Whether it was simultaneous or not, I cannot recall. I pointed out that we have very large projects there. A billion dollars on capital investment, which is about the order of magnitude of the cost, is not something you can spend in one year, nor would there be any useful purpose served if you did. There is no use building projects ahead of the time they can be used against the load. A developed load has to be the first thing and you put your projects around that, and decide when they are to be built. This scheme of development of which we spoke would take a decade or one-and-a-half decades.

Mr. CARDIN: But the key to the whole problem appears to be the Bull river-Luxor diversion, and that is in the order of \$110 million; what are the other projects which are covered in the estimate of one billion dollars?

General McNAUGHTON: If you would like a complete list of the projects, with a summing up of their benefits and their costs—but, of course, with no timing, because the board had no way of arriving at that, as they had to give us basic figures in order that we could do the calculations—I can do so. This is on the basis of all at the same time, and at the standard interest rate. They are all given at page 32 of appendix 6 to the report, copies of which are available here for you. However, Mr. Cardin, if you would like, I will make it my business to get you a copy and send it out to you personally.

Mr. CARDIN: I would like that.

General McNAUGHTON: It will be sent when I get back to my office. I would be grateful for you to have one and then you can see the figures for yourself. They are all listed there. However, I could go over them on the map.

Mr. CARDIN: I do not think it is necessary.

General McNAUGHTON: You are quite right in saying that the key to the whole of this business is the decision on the Dorr-Bull river-Luxor; it is the vital point.

Mr. CARDIN: It was because of the cost of it being relatively low in relation to the over-all cost, thereby causing that big margin.

General McNAUGHTON: Let me give you an idea in regard to the cost of one billion dollars, of which we have spoken. This is the elevation, starting at the Kootenay at Canal Flats; here is the Dorr-Bull river-Luxor here; and there are certain changes to be made to improve the condition for the plants on the West Kootenay. There is a storage to be built at the head of Kootenay lake at the Howser dam site, which controls the flow from Duncan lake above. This would be the Murphy creek site. The red mark represents the flowage of that Murphy creek dam site. The yellow, which is placed in here, indicates where the High Arrow would be built. And above that, a plant at Revelstoke canyon and a plant at Downie creek, and at site plant at Mica, and a small plant at Calamity Curve, taking advantage of this business. And at the other end we have this storage which ties on to here. This is the other end of the Kootenay storage. This is the reservoir which is at the head waters of the Kootenay and Columbia.

The detailed costs are given on table 24 in the abstract which every member has—and it adds up to a billion.

There is one further bit of information which I would like to give to Mr. Cardin. One of the things in which a casual inspection of these reports may cause some anxiety is that there is nothing said about the transmission costs. The board, of course, in that early stage, could not know where the transmission lines were to go, or anything of that sort; so they adopted the principle of deducting from the benefits the average costs expected for the transmission charges. I can go into that matter and explain it in detail, but it is all set out in one of the paragraphs in that report. While the board has not shown to us the transmission, it is a very expensive element of a power scheme, and it is allowed for by deduction.

Mr. CARDIN: I have one other question—and I am not sure that is fair to ask you this, but I think it is very pertinent—and it is this: whether that cost of one billion dollars would be shared between the federal and the British Columbia government.

General McNAUGHTON: I think Mr. Cardin has me out of my depth in that question.

Mr. CARDIN: The reason I brought it up—and perhaps Mr. Herridge could help me on this—is that I understood the Secretary of State for External Affairs at one time to have stated that the federal government would assume half the cost of that project.

Mr. HERRIDGE: There were statements in the press that the federal government were willing to co-operate with the British Columbia government.

Mr. CARDIN: But it did no go that far.

Mr. HERRIDGE: I did not see anything.

Mr. FLEMING (*Okanagan-Revelstoke*): If we could go back again to Arrow lake, the tables that were published in the report of last year, in connection with the testimony on April 23, showed the percentage of flooding of the various lakeside communities around the lake. Because there is so much discussion in British Columbia, one of the points that I would like to emphasize is that there is no on-site power in the High Arrow project; it is purely storage. There is the physical disadvantage of loss of arable land and the flooding of lakeside communities. Do I understand that the British Columbia power commission plant at Whatshan would be drowned out in connection with the High Arrow project?

General McNAUGHTON: I would have to look that up. I do not think the inference should be drawn that the problem at Whatshan is serious, even with High Arrow. It could be solved.

Mr. FLEMING (*Okanagan-Revelstoke*): Then the only advantage of High Arrow is storage for downstream installations in the United States and, apart from that, there is no other return to British Columbia or to Canada other than the power generation in Grand Coulee, Chief Joseph and so on. Is that basis the only possibility of a return to Canada?

General McNAUGHTON: And flood control. The very fact that there is no real possibility for an at-site installation at High Arrow is one of the greatest advantage to the United States, because in the operation of that reservoir in perpetuity it would mean they would not have to take Canadian power requirements into account. They could have that as a satellite to the Grand Coulee reservoir—and, indeed, a valuable one for them.

Now, the way in which the proposals and the principles have worked out is that the proposals which we made in the commission are that we should assume all our own costs, and the United States should assume all their own costs, including transmission to the boundary of the Canadian share of the downstream benefits, and that the added power in the United States, which is the difference between the power with the present system, namely 6,800,000 kilowatts average annually and the 9 million odd, should be shared equally with Canada and delivered to us. The result of that is that Arrow, which is only a high weir across Arrow lakes at what we call section 8, is not an expensive project to build. It costs about \$69 million, if my memory is right. So, the benefits that might be attributed to it are very large, and if those are delivered in time, they are very valuable to us—particularly, if it is given a first added position it will take priority over Mica in some of the storages. I think High Arrow reduces the benefits of Mica by something over \$4 million a year.

Now, this project at High Arrow can be built quickly. You must see both sides of this. It can be built very quickly, and in this period where we have no other source of revenue for four or five years, except our downstream benefits, it could be paying in power to the British Columbia system, and satisfying the need early on at this infinitely low cost. Some people say that with these advantages to finance we must built it in any event.

Now, on the other side to that, we must remember that we are on the horns of a dilemma right across the piece in this. As the thing develops, I have the greatest sympathy for the people who have to take the responsibility for that decision. There are a lot of factors to weigh, both pro and con. The people who have that primary responsibility are the British Columbia government, because neither High Arrow nor any other storage can be built unless compliance is given with the water resources act of British Columbia, which requires that these matters be taken before the board and that the public are fully informed of the circumstances in order to give them an opportunity to make up their case.

From an announcement made by Mr. Williston, we know that is the policy he has contemplated always in connection with the High Arrow. He has said that this matter must go before the public and must be determined. If you look at the principles which we have recommended to the governments you will see that we recognize this in the principles. We asked the governments to accept as basic that the governments have a sovereign responsibility for doing what is right before they nominate a storage for creation—and that is Arrow lakes.

One of the things that must be taken into account at that time is the fact that these downstream benefits are evanescent; they are going to evaporate some day or other. This was a proposal initiated by the Canadian section in order to get some immediate returns during these long construction periods of these immense projects, and we were invited by the United States to investigate and report on this. We want to get something coming back, some

interim source of power or revenue to help us over that initial financing stage. This is the opinion of engineers and other responsible people. I am not quarrelling with them at all. It is an aspect that must be considered.

They have raised this, that we can get out of the High Arrow tremendous help in the development of this whole project and get the burden carried, and the benefits received for it, in place of depending altogether on the financial structure to look after that aspect; and it is significant.

But there is one serious thing which must be weighed, and the advice on this from various authorities both in Canada and the United States is conflicting at the moment. That is, how long will these benefits last? How long will the United States wish to have the service of regulated flow from Canada? Is it going to be useful to them for 10, 15, 20 of 50 years, and so on?

We are satisfied in our inquiries that at the present stage it is extremely valuable to them. There is no indication in looking at the development of their system of the possibility of their not being satisfied in a cooperative arrangement. There is no suggestion that for the next 35 years there will be anything but maintenance of full value. But what about after that?

Remember this. I am speaking now, referring to the report of the power planning sub-committee of the Columbia basin and inter-agency committee of September, 1959, which is a United States organization made up of the professional people concerned in these matters; they are the group in the United States which has been entrusted with the responsibility of making the forecast.

They point out that the total requirements of the United States section of the basin, starting now at about 8 million kilowatts, will rise steadily until 1985, when they get to 30 million kilowatts, and they go on thereafter at a markedly increased rate until, let us say, they reach the year 2010 when the requirements of the Pacific northwest will be 70 million kilowatts.

That sounds like a lot, but the demand for power in the world, particularly in communities that are looking towards becoming industrially self sufficient, and towards making contributions to the rest of the world through their industry—these figures are comparable with what is being estimated in all the power regions of the world today.

What we are up against is this: up to 1980 or, rather, up to about 1975 the Columbia river is a pretty useful source of that power; and without running to wild costs of power, you may look to hydro as being the source of that immense power. But there is a definite limit to hydro. The chief of the army engineers, who is the spokesman for this group in getting this information to the public, has said that around about 15 million kilowatts is about all you can expect to get economically out of hydro in the United States, and by pushing it perhaps we may get from 40 to 50 years when power is more valuable, and we may be able to add on a bit more than that. So they are beginning to insist upon turning to thermal.

The future of thermal at the moment—and it is forecast—is that there are several good coal fields in the region, and that they could put up these high efficiency plants right on the fields themselves and develop them there, and that they could get thermal supplied for about 5 mills or so, which is about twice the cost of hydro at the present time.

But as you put thermal into a system such as we are discussing, a hydro system and we would be looking for a decade or more into the future—the hydro would have to operate as a base load, providing what they call firm power, that is power completely dependent on its being supplied at any season of the year with absolute certainty. It has to have these characteristics or you cannot market it.

In a system of that sort, storage, as is pointed out here, is of tremendous value. For instance, in that system as it runs now, if we just took the system

as it is we could get 6,800,000 kilowatts out of it in the United States. But if we should add a comparatively small amount of storage, we could push it up to 8,000,000 or 9,000,000 at very low cost. So storage is of tremendous value to the United States at the moment, and they are willing to pay for it.

But as you add your thermal, when your thermal gets up to about the same order of magnitude as your hydro, the role of the operation of the two systems changes. Thermal then becomes the base load, because these new plants that they are building are very, very high pressure plants, up to 5 or 6 thousand pounds per square inch. In fact, 7 thousand pounds is spoken of in the literature. Thermal efficiency has gone up to double what we are accustomed to at the present time. But those plants are extremely delicate. It may take as much as a month to start them up sometimes, because you would have to warm them up gradually. There is no flexibility in them. Therefore they must take over the base load operation of hydro, and then hydro is left to do the "peaking", and to give the flexibility.

Now, flexibility of service is not the only thing. The general concept both here as well as in Russia is that in the use of a thermal system you must have about 20 per cent of hydro to give that flexibility. That is to say, when you are driven into the use of steam for the base load, you must stick to it or your economics will go wrong.

Now, what does that mean to us? We are proposing to cooperate with the United States in order to get this extra assist in getting our big power developments off the ground and getting them going, and we propose to sell them a service of regulation.

There is great feeling among responsible people who have investigated these matters—and I think myself there really is a general concept or general agreement in this forecast—that storage flows certainly are not going to increase after a period of three or four decades, and that there is a very great risk that they might decrease. We are not trying to take something out of nothing from the United States. What we are offering them is the service of regulation, which is an exceedingly valuable service to them at the moment. And we expect them to pay for it as long as it is valuable to them.

But it would be highly unreasonable for us to expect that they would continue to pay for the service of regulation when it no longer met the circumstances of the case. And the result of that is that while we are mighty grateful—certainly to a considerable extent—of providing the storage we have in contemplation from the point of view of service to the United States, and which has a development that can be used down the years, we have no certainty of getting an indefinite continuity.

That is the question one must ask himself about the High Arrow, and one which will have to be answered before the public before an affirmative decision is taken to build it.

It may be that the advantages of immediate capitalization, if worked out the way that our bankers would do it, might show that there is real advantage to Canada in doing it. On the other hand, if these factors are taken into account, it may be the reverse.

Of course, I will grant you that I may be looking at this whole business through tinted spectacles, but I cannot reconcile myself to the thought that people would be thrown out of their homes for an advantage which is transient. And until it can be shown conclusively that these advantages would continue, I think the people who make that decision have a very, very serious responsibility. I think that gives the key to this whole thing.

Now you come to the different figures to show the annual flows which we would get out of High Arrow and what the United States would get. High Arrow is this yellow line here. We have one plant below; that is Murphy creek, and it has a top elevation of 67 feet with a possible flooding head of

60 feet. We would only have the use—and this is the view taken all the way through the piece—of this, if the flows in the United States should diminish. We would only have 60 feet of usable head at Dorr, while if we put the same efforts into storage upstream, we would have one thousand or more feet to use up further. The ratio of use of storage up here, as far as Canada is concerned, is all that matters to us. We are responsible for Canada. It is as 20 to 1. This storage down here has to have a tremendous benefit cost ratio, and it has been shown on the table of capital structure over the period of possible usefulness which can wash the investment out. It does not leave you with a dead load, and it insists more than almost anything else that by providing it you do not draw benefits away from things which really matter to us.

We are different from the United States, very different in our condition. The United States is in a high state of industrial development and so on, but they have not had an opportunity to learn about the values of storage in hydro electric systems. They have not been aware of it. They have allowed reservoirs to be used for other community developments, and they have permitted encroachment on their only possible reservoir sites so that today they find that they cannot develop reservoirs.

I gave you the latest pronouncement of General Itschner in his proposal made to Congress, and I gave you the tables in which it was shown that the cost to the United States per million acre foot had gone up to something more than fourfold what it would cost in Canada. They want to get our storage. They know we could be of great help to them. But that help might be of value to them only for a period.

Now, that period of 40 years or so, might be long to you and to me, but in the life of our nation it is not long. So I say that when we judge these projects we have to judge them against the future, and we have to ask ourselves this question: what do we want in Canada, when the time has passed when our service to the United States is no longer valued by them. This will come.

The VICE-CHAIRMAN: Thank you, General McNaughton. I am afraid we will have to adjourn this meeting now.

We shall meet again on Monday morning at 9:30. It may be in a different room, but you will be notified. General McNaughton will be in attendance at that time, but I want you to understand that he will not be available for the rest of the week. So if you could possibly wind up your questions with General McNaughton on Monday morning I think it would be advantageous to the committee.

Mr. NESBITT: Will you be here on Monday?

The VICE-CHAIRMAN: No, I will not be able to be here on Monday.

Mr. NESBITT: I wonder if you might appoint an acting chairman for that meeting.

The VICE-CHAIRMAN: You want me to appoint someone. If you authorize me to do so, I can appoint a chairman for that meeting.

Agreed?

Agreed.

This meeting now stands adjourned.

HOUSE OF COMMONS

Third Session—Twenty-fourth Parliament

1960



STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

MONDAY, MARCH 28, 1960

ESTIMATES 1960-61 OF THE DEPARTMENT OF
EXTERNAL AFFAIRS

WITNESS:

General the Honourable A. G. L. McNaughton, Chairman, Canadian Section,
International Joint Commission

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1960

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.,

Vice-Chairman: F. E. Lennard, Esq.,

and Messrs.

Aitken (Miss),
Allard,
Batten,
Cardin,
Cathers,
Crestohl,
Eudes,
Fairfield,
Fleming (*Okanagan-
Revelstoke*),
Garland,
Hellyer,

Herridge,
Jones,
MacLellan,
Macquarrie,
Mandziuk,
Martin
(*Essex East*),
Matthews,
McCleave,
McFarlane,
McGee,
Montgomery,

Nesbitt,
Nugent,
Payne,
Pearson,
Pratt,
Regier,
Richard
(*Ottawa East*),
Slogan,
Smith
(*Calgary South*),
Valade,
Vivian—35.

Eric H. Jones,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

MONDAY, March 28, 1960.
(10)

The Standing Committee on External Affairs met at 9.40 o'clock a.m. this day.

Members present: Messrs. Fairfield, Fleming (*Okanagan-Revelstoke*), Herridge, Macquarrie, Martin (*Essex East*), Matthews, McCleave, Montgomery, Nesbitt, Payne, Richard (*Ottawa East*), Slogan and Smith (*Calgary South*).
—(13)

In attendance: of Canadian Section, International Joint Committee: General the Honourable A. G. L. McNaughton, Chairman; and Messrs. D. G. Chance, Secretary; and J. L. MacCallum, Legal Adviser: and of the *Department of External Affairs:* Messrs. J. H. Cleveland Head and J. M. Cook, American Division.

The Clerk of the Committee attending, he announced that, pursuant to the agreement of the Committee on March 25th, the Vice-Chairman had appointed Mr. G. W. Montgomery as Acting Chairman of this day's meeting, in the absence of the Chairman and Vice-Chairman. Thereupon Mr. Montgomery took the Chair.

The Committee resumed its consideration of the 1960-61 estimates of the Department of External Affairs.

Continuing on Item 105 relating to the International Joint Commission, General McNaughton answered questions arising from his statement on the resources of the Columbia River basin.

General McNaughton then made a statement on the water resources of the St. Lawrence River system; he was questioned thereon.

Mr. J. M. Macdonnell, M.P., being present but not being a member of the Committee, was permitted to take part in the proceedings.

Items 105 and 106 relating to the International Joint Commission were carried.

The Committee unanimously expressed its thanks to General McNaughton for his enlightening statements and answers during this and preceding meetings.

At 11.05 o'clock a.m. the Committee adjourned until 9.30 o'clock a.m. on Wednesday, March 28, 1960.

Eric H. Jones,
Clerk of the Committee.

EVIDENCE

MONDAY, March 28, 1960.
9.40 a.m.

The CLERK OF THE COMMITTEE: Gentlemen, you have a quorum.

At the meeting of the committee on Friday last, the committee agreed that this morning, in the unavoidable absence of the chairman and the vice chairman, the chair should be taken by an acting chairman for this meeting, to be appointed by the vice chairman.

The vice chairman later advised me that he had appointed Mr. Montgomery as acting chairman for today's meeting. Accordingly, I would ask Mr. Montgomery to take the chair.

Mr. HERRIDGE: Well, it is a good name anyway.

The ACTING CHAIRMAN: Thank you very much, gentlemen. We will try to carry on without any interruptions—as far as the chairman is concerned.

I hope the chairman or the vice chairman will be available for the next meeting.

Mr. MARTIN (*Essex East*): Mr. Acting Chairman, we have been told the vice chairman has appointed you, and I am sure we all accept that; but to show our appreciation of you I would move that you be our chairman.

Mr. HERRIDGE: I second that.

The ACTING CHAIRMAN: For this morning?

Mr. MARTIN (*Essex East*): Yes, that you be our chairman for this morning.

Mr. MATTHEWS: We will leave the "vice" out this morning.

The ACTING CHAIRMAN: I believe General McNaughton has completed his statement on the Columbia situation.

Mr. HERRIDGE: I had a couple of questions which I wanted to ask in regard to that subject.

The ACTING CHAIRMAN: I was going to say, Mr. Herridge, that if there are any questions that any member wishes to ask on this matter before we leave it, he may do so.

The meeting is now open for questions.

Mr. HERRIDGE: Mr. Chairman, I had a few questions in mind from the last meeting.

I had asked the question as to what would be the general effect of the drawdown with High Arrow at 1446, and you had started to give an explanation when another question was asked, and you switched over to questions in connection with Libby.

Would General McNaughton mind giving us any further information he has on this matter?

General A. G. L. MCNAUGHTON (*Chairman, Canadian Section, International Joint Commission*): Mr. Chairman, the term "drawdown" means the percentage of the head of the reservoir which is drawn down in the release of the flows. In our studies it is usual to work on the basis of 35 per cent, and the average head would be then 82½ per cent of the full pool level.

Now, Mr. Herridge has asked a question in reference to the High Arrow. There is no power plant contemplated in connection with the High Arrow project and in consequence there is no subsidiary drawdown. The proposal

for High Arrow means that the high pool would be at 1446 elevation and the drawdown would be the full extent of all the water that you can get out of the reservoir right down to present low levels. Does that answer your question, Mr. Herridge?

Mr. HERRIDGE: Yes, General McNaughton.

General McNAUGHTON: On the map that I showed there was a brown stretch that showed the flooding course or the high level of 1446 and that reservoir would be drawn down through that brown patch and also through the yellow patches which show the extreme of low water. So the area between high water and low water would be the brown and yellows on the map in that reservoir.

Mr. HERRIDGE: That would mean the present facilities, such as wharves and things of that type along the lake, would be completely immersed at high level?

General McNAUGHTON: At high level that is right. It could not be otherwise at the level of 1446.

Mr. HERRIDGE: Another question. In the report of the engineering board at page 59, paragraph 150, there is this advice there, that they did give some consideration to fish and wildlife and mentioned that the Columbia river basin has been provided with fish and game population, and so on.

The local rod and gun clubs have been very interested in this development and naturally interested in the preservation of wildlife and the effect on fish and game. They are a very active group, a fine group of people, all clubs all through the Kootenays. I have met them on one or two occasions; had meetings with them and their executives, and they have discussed this question very thoroughly, and they are concerned about the preservation of these wildlife resources.

At a recent meeting they passed a resolution which was endorsed on behalf of the British Columbia wildlife association:

Whereas the impact on wildlife of Kootenay river and Columbia river development of power and storage dams will be tremendous and the adequate correction of the problems created will be much beyond the financial ability of the fish and game branch of the department of recreation and conservation of the government of British Columbia.

Therefore be it resolved (1) that a complete and detailed biological survey be carried out jointly by the Canadian wildlife service and the fish and game branch, B.C. department of recreation and conservation to determine the ecological effect on wildlife of each and all proposed power and storage dams, the report of such survey to be publicly available.

- (2) That anticipated problems in wildlife management as indicated in the survey be planned for, rectified, and financed as part of said developments.
- (3) That a definite proportion of the value of the power produced be set aside and other benefits such as navigation, irrigation, etc. (including downstream benefits) produced from said developments for wildlife management and recreational facilities in the Kootenay and Columbia river basins in Canada.

Now, Mr. Chairman, I know that wildlife is probably the responsibility of the provincial government, but noting that the joint engineering board had given consideration to it, I would like to get General McNaughton's comments on the approach of the West Kootenay rod and gun club association to this development and where he thinks the responsibility primarily lies.

General McNAUGHTON: Mr. Chairman, the question of wildlife and its preservation was one of the subjects which was mentioned by the governments of Canada and the United States in the reference to the commission, and as far as this report of the engineering board is concerned the particulars of the discussions and considerations given by the board are reported in the report on page 59 and the following pages. Those are just general remarks descriptive of the situation referring to important interests that have to be conserved. The responsibility for dealing with those interests and taking appropriate action would in the first instance be vested in the government of British Columbia. The federal authority, the Department of Northern Affairs and National Resources has, on the other hand, some interest in it for the parliament of Canada with regard to the migratory birds, which are dealt with by federal legislation.

I believe this resolution should be directed to the two governments concerned. If the commission had been going further into the matter and were charged with the duty of holding public hearings, and so on, we would have expected, as we have done in other references, to have brought all these interests into focus in the public hearings themselves. Then in the subsequent report of the commission we would have made some positive recommendations. But with the march of events it does not seem that it will be the commission which will be carrying out that function. So I think those resolutions ought to be directed to the two governments.

Mr. HERRIDGE: Thank you, sir.

The ACTING CHAIRMAN: Any further questions, Mr. Herridge?

Mr. Matthews?

Mr. MATTHEWS: Mr. Chairman, has the commission investigated or formed any idea as to the harm that might be done in raising the waters on the lakes; that is, with regard to fish and game? Have there been any findings on that at all?

General McNAUGHTON: No findings, because the commission has not reached that point in its own studies.

Mr. MATTHEWS: I think it has improved Buttle lake on Vancouver island; and in Lower Campbell fishing was improved by a rise of the lake. At that time I think all people on Vancouver island were up in the air about Buttle lake being doomed.

General McNAUGHTON: Buttle lake is a beautiful lake, but it has not hurt it a bit.

Mr. MATTHEWS: Not a bit, no.

General McNAUGHTON: I think the same thing is true of the reservoirs. They are extensive, but if the proper precautions are taken and if the experience of other places can be taken, sports fishing can be improved eminently. Similarly with regard to the other forms of wildlife, it has been shown, I think, that there is no difficulty in establishing compatibility between the preservation of wildlife and power development, provided the matters are well thought out in advance.

The one species of fish that does give concern and a considerable amount of trouble is the salmon, the anadromous fish that come in from the sea. But those have gone out of the Columbia many years ago, and that is not of interest any more. There is no way of getting anadromous fish up there at the moment and the commission is not likely to be dealing with it further, unless the government should instruct us. However, I do not anticipate there is any real difficulty in this matter.

The ACTING CHAIRMAN: Gentlemen, General McNaughton will not be able to be with us at any sittings for some weeks. He has completed his statement

and if there are no further questions on the Columbia basin project he would like now to take up the Ottawa river and some of the eastern projects.

General McNAUGHTON: The St. Lawrence.

The ACTING CHAIRMAN: Yes, the St. Lawrence river. So we will ask General McNaughton, then to proceed.

General McNAUGHTON: The map, Mr. Chairman, which is on the board shows the St. Lawrence river through what we know as the project area, that is, from Ogdensburg, then this whole portion of Lake Ontario down through the project and down to the port of Montreal and the lower river. It also shows where the Ottawa river, which is a very important tributary of the St. Lawrence, comes in.

Turning now, if I may, Mr. Chairman, to the St. Lawrence, I think that I have in previous years explained the problems of the International Joint Commission associated with the construction of this great international project. Now, except for some excavation in the channels, the project is completed and power is being developed at the two large plants at Barnhart near Cornwall which, together with the dam, extend across the river. These plants each have a capacity of about 800 megowatts, which is particularly valuable from the standpoint of peaking power to the systems in Ontario which are designed to become primarily thermal, with fossil fuel now and possibly later on nuclear fuels.

There is no doubt about the high value of the peaking service and the commission and its board of control are working closely with the two-power entities in this experiment with relation to determining the level of this use, without conflict with the rights of other interests upstream and downstream. The present experiments being currently carried out provide for a flow of plus or minus 20,000 cubic feet per second varied to suit the full loads or demands of the two great power systems I have mentioned, New York state and Ontario.

In these experiments I wish to pay very special tribute to the full cooperation which was extended by Hydro Quebec. Hydro Quebec have rights to the regular flow coming down as it comes and they could, of course, have objected to this flow being varied to take care of varying loads on the upstream power grids. They have not done so; they have been very helpful in offering their full cooperation, and in the fluctuations specifically operate Lake St. Francis as a regulatory reservoir, if I might call it that, to take up this pulsation. All these experiments are going very well and there is great value being obtained through them.

There is still one continuing problem to be solved and that concerns the regulation of the river. In this connection, experiments on the modification of flows at the power plants to facilitate the formation of ice cover and in the interest of the provision of firm power, are being carried out continually in order to determine the effect of the levels and flows both upstream and downstream from the power dam; also the velocities and depths in the navigation channels.

In these matters, all the interested agencies are working in the closest cooperation with the commission's international St. Lawrence river board of control. We hope that shortly the plan of regulation which the commission has proposed as meeting the requirements of its orders of approval will be instituted, and that this will permit optimum use of the flows with advantages to all three main interests, power, navigation and riparian owners both upstream and downstream.

We hope that shortly conditions will become appropriate in the matter of regulation. By things becoming appropriate, I mean the accumulation of a small reserve of water in Lake St. Lawrence that can be used at discretion. This we are sure will permit optimum use of the flow with advantage to all

human interests, that is, power developments and the riparian owners both upstream and downstream.

There is one development in the St. Lawrence which I think has been of surpassing human interest to all and that is the rehabilitation of persons who were displaced by the project. There were some people who had to be moved. The commission was deeply concerned with this problem, more particularly when at a public hearing in Cornwall in 1952 we were informed of the grave anxieties of the residents in the area in regard to the compensation which they might expect to receive.

At that time these matters of the taking of properties were under a board and not under the courts. As a result of this hearing and of further discussions within the commission, it was suggested that some change in the law governing compensation for properties to be flooded was desirable in the interest of establishing confidence that the rights of the people concerned will be fully protected.

Appropriate action was promptly taken by the Ontario legislature and we were informed of the organization through which this aspect of the matter would be handled.

Mr. Chairman, I do not believe that I can better present this situation than by quoting from a report which has just been published in the *Canadian Engineering Journal*, and with your permission I will quote:

It would be extremely difficult to measure the effect of the program described above on the future of the communities affected. In a physical sense, everything is in their favour for an era of expansion and growth. New municipal services, schools, churches, civic buildings, shopping centres, and modern transportation facilities via highway, railway and water are attractive features for industries both large and small. The development of the extensive park land along the shore of the new head-pond that is Lake St. Lawrence will within a few years make this area extremely attractive to tourists. The economic possibility of deep water harbours will also encourage industrial expansion.

Equally important is the new spirit and enthusiasm which has developed among the residents and their elected councils. This if continued should bring a new wave of prosperity to the area.

I would mention that as a result of studies of the levels of Lake Ontario, the commission arrived at a range of levels which in the judgment of the commission would benefit everyone with the exception perhaps of the power interests. As regards the power interests we felt that by arranging for the use of the flows for peaking purposes the values would go up so much that the power interests would also be completely compensated in that regard.

Going still further westward, I would mention that the commission's international Niagara board of control is preparing its final report with respect to the construction of remedial works for the control of levels and flows of the Niagara river to ensure that the scenic beauty of the falls may be preserved; also, in collaboration with the Niagara committee, to ensure that specific flows required over the falls by the treaty are maintained; and that the remainder is properly allocated between the Ontario and New York power plants.

You will recall this matter was dealt with in the treaty of 1950 with the United States and that in that treaty the commission was asked to proceed with the arrangements for the planning of the remedial works and their construction.

I might mention that the remedial works which the commission was directed to arrange so as to distribute the flow over the full length of the crest of the falls have now been completed, and they have been tested with eminently satisfactory results.

In other places along the boundary where matters have been before the commission and continuing action has been required, the commission has set up similar boards of control to deal with continuing problems of the levels of the lakes in various places. I would mention the levels of Lake Superior, the levels of Rainy lake, the Souris river in Saskatchewan and the Kootenay lake in British Columbia. There are many more.

I would now like to come to another aspect of the commission's work, sir, principally to give you an account of it, and that is the reference which was given to the commission to study and to make proposals for the clearing up of the pollution in the connecting channels of the great lakes. The commission has a particular responsibility in regard to pollution of international waters. We have no responsibility for pollution per se, but if pollution arises in one country and moves across the boundary by the flow of the current, then that becomes a matter of the commission's responsibility under the treaty of 1909 because pollution arising in one country which harms the interest or damages another interest on the other side of the line is our responsibility; and when we carried out our investigation of the great lakes and all these interconnecting channels, we found that that condition was existing and was becoming more aggravated almost daily. These channels were literally a sewer and they obviously had to be corrected.

The measures to correct it were arrived at and were put into a commission publication known as objectives for Boundary Waters Quality Control. Those objectives were recommended to the two governments for approval to set the quality standards that could be a matter of public agreement. They were approved; the commission was invited to supervise the conduct of those further studies and was charged with the duty of bringing to the attention of the responsible authorities in each of the countries any infraction of those objectives. The commission itself has police power. We do not want police power; we are not equipped to discharge functions of that sort, but we can and do through our technical advisory boards keep a watch on the river in the interests of the people of both countries, and where there are infractions, we bring it to attention.

That has been shown to be a very effective way of handling these matters. Most people are people of good will. If they realize that there are objectives held by the two countries, they will cooperate. The mere fact of citing either municipalities or industries for infractions of these objectives has been all the stimulus that was needed to bring about the corrective action which is required.

In addition to this work, of course, the province of Ontario in these particular channels is the one which is most intimately concerned and the matter of the action in Ontario has, of course, been the subject of very, very careful consideration with the government of that province. Of course, the boundary waters and connecting channels are only part of the water problem in Ontario. The government of that province decided to deal with the matter comprehensively, and set up the Ontario water resources commission, with Mr. Snyder as chairman. That now gives us a body in Ontario to whom we can make our reports on any problems in which we find in the quality of water in the connecting channels, and they are quick to take advantage of the information we give, to institute corrective action and to give the municipalities, for example, a method by which they can build sewage works and so on, in order to clear up all these matters.

Mr. Chairman, I would like to mention that Dr. Berry, who is the general manager of the Ontario water resources commission is also in another capacity a member of each one of our boards; so as a result of that you can see there is a close cooperation and association in this public service between the Ontario organization and the international organization.

Dr. Berry recently made a report which was presented to the 73rd annual general and professional meeting of the engineering institute of Canada in June, and it has just been reprinted in the Engineering Journal for February last. With your permission, I think this summarizes the de facto position in these waters, and I think it does that very precisely. If I may, I will read one extract:

The boundary waters between Ontario and the United States offer a challenge in the effective control of pollution. These waters with unsurpassed international value must possess high quality to serve their many functions. The international joint commission has made surveys and has maintained close contact with conditions. Enforcement of quality standards set by the international joint commission has been carried out on the Canadian side by the Ontario water resources commission. This is a cooperative effort designed to reach the desired objective of good stream sanitation.

Good progress is being made on pollution abatement in the boundary waters. The Ontario water resources commission is participating in the building of municipal plants and is cooperating closely with industry in their waste treatment problem. Joint efforts can be most effective, and in the boundary waters there is every expectation that the desired results will be a reality in the near future.

Mr. Chairman, I would like to refer to this effort in boundary water pollution and the method of voluntary persuasion and supervision, and suggest that these eminently to be desired results have been brought about with good feeling and good cooperation on our side with five states of the United States, whose organizations are concerned with us in this important matter.

Again, another pollution problem. On May 30, 1959 we received a request from the governments of the United States and Canada to study and report upon the problem of the pollution of Rainy river and Lake of the Woods and to recommend methods to improve the quality of these waters.

As in past references, the commission established a technical board to carry out the necessary field studies. Again we have been fortunate in obtaining the close cooperation of the Ontario government, and the Canadian board members will consist of two officers from the federal Department of National Health and Welfare and two from the Ontario water resources commission.

Field studies will begin this spring and the commission, in order to have an on-the-spot knowledge of the problem involved, will inspect the area this summer.

I cannot yet of course forecast a date for the submission of the report of either the board or the commission, but it will be done as soon as possible and consistent with a thorough investigation.

Mr. MacCallum suggests that I might read the part of article 4 to which I have made reference and which reads as follows:

It is further agreed that the waters herein defined as boundary waters and flowing across the boundary shall not be polluted on either side to the injury of health or property of the other.

The responsibility, of course, is of the governments directly; and the International Joint Commission's authority, whatever it is over pollution, is drawn from the governments through the references and through their subsequent approval of our reports.

In air pollution, as I have reported previously, the commission has been studying the question of air pollution in the Detroit-Windsor area with particular regard to the emission of smoke from ships plying the Detroit river.

The report of the technical advisory board on air pollution was submitted to the commission in 1959 and the commission's report to the governments is now in its final stages of drafting.

As a procedure to ensure that there will be no relaxation of efforts to abate air pollution from ships on the Detroit river in any interim period that may elapse between submission of the commission's report and establishment of the control of air pollution from vessel smoke on the basis recommended, the commission will propose that it be authorized to continue to conduct a program of observation of vessel smoke emission on the river and control on a voluntary basis in cooperation with the governmental and shipping interests concerned.

It is planned that, similar to the procedure adopted in the water pollution report where objectives were set for the quality control of boundary waters, in this case smoke emission objectives will be proposed to the two governments in the commission's report.

In Manitoba and Saskatchewan we have a small but very important river known as the Souris, and the Souris is a tributary, of course of the Red river.

I now turn to the Souris river reference of 1940 and the Souris-Red rivers reference of 1948.

Under the 1940 reference the commission, as I reported last year, submitted a further interim report on the allocation of the waters of the Souris between Saskatchewan, North Dakota and Manitoba. This report was approved by the governments, and subsequently the commission established an international Souris river board of control to ensure that the allocation of the waters was duly carried out. The new board's first report is expected at the April meeting of the commission in Washington, but to date I have not been advised of any difficulties. As a result of the commission's report to governments the right of Saskatchewan to make use of certain flows in Long Creek has been established and the Saskatchewan Power Corporation has now constructed a dam on Long Creek, a tributary of the Souris, to capture water to be used for cooling at the large new thermal electric power plant at Estevan known as Boundary Dam. The plant, using lignite, is now in operation and the formal opening will take place in May of this year.

The Souris-Red rivers engineering board which was established in April, 1948, is watching, among other things, possible flood conditions in the lower Red river basin which might result from river improvement works upstream on the Red river in the United States. To date, we have been assured that such channel improvement work as has been carried out, particularly the drainage and reclamation in the basin of the Roseau, in the United States has been balanced by corresponding increase in reservoir capacity and, therefore, has not adversely affected flood conditions in Canada. Rivers flowing from south to north in our climate are particularly susceptible to flooding in the spring, and the board will continue to report upon any developments which might tend to aggravate the inherent hazard.

Mr. Chairman, that concludes the remarks that I thought your members would be interested in hearing at this time. There is only one further short statement that I would like to make, if I may, and that is in reference to the record. I think members will appreciate that particularly in reply to these questions which are rather intricate and involved the words that I have used in some cases do not convey the full technical picture. The answers had to be improved and they require, in some cases, a little rearrangement. I have offered to the chairman to go through the record and make those few changes that are needed for clarity, and to submit an errata a little later, which he can bring before you in any capacity you like. It is purely for clarification.

Mr. NESBITT: I was wondering if General McNaughton would give us a brief resume with respect to the suggested Chicago diversion; and also he might make some comments, in particular, on some of the suggestions that

have been made that certain rivers in Ontario presently flowing into James bay be diverted to flow into Lake Superior. I was wondering if General McNaughton could give us some comments on that?

General McNAUGHTON: Mr. Chairman, may I say that the Chicago diversion is not a matter which is before the International Joint Commission; it is a matter which is being handled directly between the two governments concerned. Therefore, Mr. Chairman, if you will forgive me, it would be inept for me to make any comment on Chicago. As regards the topographical condition which has been referred to and the possibilities of diversion of further flows into the Great Lakes, members will know of course that at the present time there is an average of a little over 5,000 cubic feet per second being diverted into Lake Superior from the Ogoki and Long Lac rivers. Those diversions are provided for first of all by a series of notes between the governments of Canada and the United States and they are also covered in the Niagara treaty of 1950.

In so far as the commission has information it does not appear likely that any substantial increase in flow across the Hudson Bay watershed would be practicable of accomplishment. It is probably even less practicable now than it was when we had occasion to go into the matter some years ago, because the Ontario Hydro Electric commission is now proceeding with hydro-electric development of those rivers far to the north with a very high voltage transmission line to bring that energy down for use in the hydro-electric system of some of the southern parts of Ontario. It was not indicated there was any real possibility of diverting any waters right along the Great Lakes into the system.

Mr. NESBITT: Has the commission any records which indicate the changing lake levels in the Great Lakes system over the years?

General McNAUGHTON: Yes. I think it is all recorded over 97 years. All the facts over the last 97 years have been collected, compiled and brought to a common datum, and tables giving that physical record will be in the report on Lake Ontario which we are about to present to the governments.

I might say that the levels of the Great Lakes are very carefully watched; and through our board of control, in association with the geodetic survey in the United States, we have not only a complete record of the monthly mean flows coming in regularly but also these levels are forecast up to six months in advance. Therefore, we have the information immediately available within the limits of the regular flows, particularly the flows which come into a lake from above. This can be forecasted with great precision. The difficulty in respect of lake Ontario is in the important inflows in the basin of the lake itself, which is variable. Those precise records are very necessary for our board when it is dealing with the question of the setting of the discharges of the St. Lawrence river to bring about this condition that we propose to the governments, and which the governments have now approved.

Mr. NESBITT: I would take it in this report that, because of the very carefully kept records and the fact that we can now forecast with some great degree of accuracy the changes in the levels, the compositions of these changes such as the rainfall and the like can be pinpointed.

General McNAUGHTON: The climatological considerations of this do occur, and we know practically the range of the variation itself. However, the most careful analysis of the record does not show any systematic variation of that sort, and similarly the local inflows, which are the great variables and which have had to be taken into account in the watershed itself. There is nothing systematic about that either, except that by studying snowfall and the condition of the ground at freezeup and the nature of the weather at the time of the spring melt and so on, people who are watching it day by day—

as indeed this is being watched—can draw very valid conclusions. Now with the regulating works such as the Iroquois dam, the dams on the other tributary streams and the reservoirs which are being built, undoubtedly this whole situation is being brought under control. We in the commission are only one element in this. We have to do with boundary waters: that is all. But there are other organizations in both countries under the various departments of government. On our side there is the government of the province of Ontario and the federal government, and the studies in the United States, all of which are cooperating.

Mr. MACDONNELL: Could you tell us about the condition of the water levels now as compared to a century or so ago when the records began.

General McNAUGHTON: I would say generally, looking back over the records that I think—and I believe when we are able to present the records to the governments they will bear this out—that by and large over the period for which we have records there has been no systematic change in the inflow. Where there has been a change it is the result of a phenomenon known as earth tilt which is a very confusing one. We struck it head on when we had this reference from the governments to go into this matter of the possibility of building these great power works near Cornwall. What is clearly happening—and we are speaking now not with the knowledge we had at the time we started these studies, but with the knowledge which came as a result of the investigations which went on—is that it appears the icecap in the north is gradually melting. That has been going on pretty steadily over the last several hundred years. There are cycles. In this cycle the icecap is getting less. That means the levels of the sea are getting a little higher. It means also that taking the earth as a plastic globe the end is coming off and it is going back towards a perfect sphere. That means that the latitude along the boundary of 45 degrees or so of latitude is tending to rise toward the north. Apparently, what is happening to us on the St. Lawrence is that, running in a north-east direction, we will see Cornwall rising with reference to Kingston on the lake. This is a very small matter if you think of it in terms of a 1/10 of an inch per year, but over a period of 60 or 70 years you would see that the levels are coming up. The result of those levels going up means, in respect of the control in the St. Lawrence, that it would be just as if the dam had been pushed up at the bottom. As a result of that water being impounded the level would appear to be rising at the upper end of the lake—at Hamilton, for example. As I say the effects in between the two control levels and on which we based our engineering design were about four inches, which was not too much in respect of its effect on the riparian property owners but gave people a good deal of concern about the design, because we suddenly found our levels at Cornwall, for example, were not exactly what we thought they were. That is a change which is now very well understood. There have been some fine papers produced on it by the people who write on these things. In the report I spoke of there will be a very interesting study on earth tilt, which members no doubt will wish to read when we are able to give you that report.

Mr. FAIRFIELD: With reference to the Souris river, is there any basis for the complaints that there is not enough release of water during the dry periods of the year?

General McNAUGHTON: I am very glad you mentioned that. As I have said, the Souris river is not a very large river, but it is a very important one to southeast Saskatchewan and to southwest Manitoba, because otherwise we would have difficulty in trying to provide water for stock requirements and fresh water for human beings. The arrangement which is now in effect as a result of the approval of the commission's more recent recommendation a year ago is that if drought conditions arise again and we have to conserve and allocate

flows of the Souris river between Saskatchewan, North Dakota, and Manitoba, the commission's board of control is empowered to take charge of the situation at once.

The water is reserved in the first instance to meet the needs of human beings and for stock watering purposes. All other uses whatever they may be are made subservient to that purpose. And this board, if it is brought into operation, will have the power to so order. Everybody has accepted that as a sensible arrangement.

The question was directed particularly as to the Souris wildlife refuges. You must remember that the Souris is a spate river. It comes down in the spring; actually the flow is several thousand cubic feet of water per second across the boundary into Manitoba. At this season the water is not a benefit. It is very much the reverse, because it contributes not only to floods locally in the Souris basin, but it is also one of the tributaries which causes concern in the Red river itself. Therefore it is an advantage to us that the United States fish and wildlife authorities should improve the reservoirs which are available there, and to capture these flood flows and to hold them.

The Manitoba authorities, in effect, said: we do not want to be hurt with the flowages. We have an annual average flow on the Souris of 20 cubic feet per second, and we know that during the five summer months we would be perfectly happy to have the fish and wildlife authorities hold that amount for their own purposes, which are for the wildlife refuges down there.

Now the commission had to take account there of the fact that there may be uses in the future for more water from the Souris than 20 cubic feet per second in the five summer months.

To meet that situation the recommendation which we made to the governments was for an order which is called an interim order, because it may be reopened again and dealt with in the light of the situation in Manitoba, which might call for more water. In such a case the fish and wildlife use which, as far as our law is concerned, is not a recognized use would be subservient. What we would hold for that use would, in a way, be subservient to uses of the highest priority north of the boundary.

Now, as regards the division of flows between Saskatchewan and North Dakota, Saskatchewan made a proposal that it would be reasonable in the case of waters crossing the boundary if the upstream state retained 50 per cent of the flow and allowed 50 per cent to cross into North Dakota. They made that an offer subject to the condition that in due course North Dakota would look after Manitoba in a like sense, not necessarily with an equal division, because it is not necessary to make an equal division, but that North Dakota would have the same neighbourly attitude towards Manitoba that Saskatchewan had in respect to its division with North Dakota.

In this very taxing problem which has bothered the commission and everybody else for the last 30 to 40 years, we have two very responsible engineers prepared to take charge of the situation if drought conditions should arise, and to deal with supplies of water in the reservoirs wherever they are, to protect human needs and to protect stock watering, which are the two urgent things.

Mr. FAIRFIELD: Their measurements have not shown that there is less than 20 cubic feet per second crossing the border?

General McNAUGHTON: I would say there have been occasions where something has not functioned quite correctly. There are rare occasions when the flow has dropped below 20 cubic feet per second. But the moment it does that, the North Dakota authorities remedy the situation at once.

Under the order North Dakota gets no credit for any flows above 20 cubic feet per second which are sent over in those five critical months. This arrangement shows the flexibility of the treaty of 1909, under which we

cooperate with the United States, who are quite cognizant of the particular troubles of the local situation. I think the commission is now very hopeful, and we are very hopeful that we can get this situation under control at least.

Mr. SLOGAN: You spoke of the increased capacity of the Red river below the border. Is that due to dredging, or do they have reservoirs?

General McNAUGHTON: Reservoirs are being built all through there. They are primarily for flood control purposes. But we are not alone in suffering from these floods, because they effect great damage in the United States as well. So they have a regular program of reservoir construction.

The principal problem which gave us concern was that of trying to clear up the marshes on the Roseau river, and we were very concerned about the high water back in 1952, when they had their reclamation ahead of reservoir capacity. There was a good deal of confusion in and around Winnipeg by reason of the floods across the border, that they were a result of this reclamation. But we in the commission have received assurance from our colleagues in the United States section that they do keep this matter under close observation.

When this complaint arose in 1952 we spoke to our colleagues in the Commission, and they in turn spoke to their engineers. Within 24 hours we had the figures to show that the reservoir capacity that was in use was in fact reducing the flow at the boundary over what we could ask for in a state of nature. We are kept constantly informed on these matters.

Mr. PAYNE: I have a question, returning to the earlier remarks of General McNaughton, with regard to water pollution.

The Acting CHAIRMAN: Are there any other questions concerning the Souris?

Mr. SLOGAN: You mentioned that the rivers flowing from the south to the north imposed greater flood problems. Is that because of the earlier breakup?

General McNAUGHTON: That is right. You always have an ice jam problem.

Mr. PAYNE: My question refers to General McNaughton's earlier remarks regarding water pollution and control of the St. Lawrence. There was no mention made as to the relative contribution of this contamination between domestic sewage and industrial waste. I was wondering if possibly the General would comment on that and also at the same time give us his remarks. He reported very favourable cooperation from Ontario authorities regarding solutions, or the seeking of solutions to this problem, but I did not hear any remarks at all in connection with the United States approach and cooperation in this matter. I would appreciate it if he would incorporate something in that respect.

General McNAUGHTON: There was an earlier reference on the pollution of boundary waters. This was made 20 odd years ago to the commission, and after the commission's study it is interesting to note that they drew attention to the serious conditions that were developing in all these connecting channels. But they were so bold as to recommend that the commission should be given police authority to deal with it. That report went to the governments and nobody found any way—most fortunately, I think—that the commission could be given police authority, and the reference died in consequence.

So when it came back to us on April 1, 1946, again, as a result of our studies we did not step into the pitfall of asking for police authority, which is something that we are not competent to handle, and we suggested we were competent to set up these objectives of which I have spoken and to keep supervision on it. Then if anybody was misbehaving as to pollution in the

river, through our supervision we could bring it to the attention of the responsible authorities and let the responsible authorities in the two countries deal with it.

The supervision and the observation of the river was an international function; the pollution could be traced to its source and the infraction then became a matter for the properly constituted authorities of the country. That worked very well.

At that time, in this report—I have not got the report here—it was shown that there was very extensive, not only municipal pollution but industrial pollution, and as soon as we had the authority we began drawing attention to not only the municipalities that were breaking the terms of the treaty, but to the industries as well.

The first group to take it up and to really go to town in cleaning up matters were the industries. They were industries that simply could not afford to be cited for polluting boundary waters. The presidents of these companies would come to us and say, "Well, now, this is bad for our public relations. You tell us what you think we ought to do, give us advice, and we will see to it that we get ourselves out of being in a state of disrepute." From steel plants, with their pollution which comes as part of the process—you get some of these chemicals in the water: it comes from the coke ovens and other things—all along the lakes we have had the most remarkable cooperation and a willingness to incur the very, very large expenditures required to clear this matter up.

That left the municipalities, and until quite recently we had half a dozen municipalities in Canada—and there are probably as many more in the United States—that did not comply with the suggestions made to them. The reason for that is that it is very difficult for municipalities to raise the large funds, unaided, to build the sewage works which are needed. That is where the Ontario commission has come into the matter very, very beneficially and forcefully, because when it was set up by the government it was given the means of moving directly to the assistance of the municipalities, building them proper sewage disposal plants, eventually the cost to be paid by the municipalities, amortized over a period of years. This was a practical thing for the municipalities, who had goodwill in this matter but were unable to carry out this building. That program is now moving ahead on our side in a most satisfactory manner.

Before we had this beneficial action by the government of Ontario, the states in the United States had gripped their own problem and had passed very severe laws, and if a municipality, after it had been cited—not by us, but perhaps at our instigation—failed to get itself into good order, the state authorities could move in and compel obedience.

So I would like to say this, that I believe the United States got their situation in order several years before we were able to do so. Anyway, there is in that field a great common interest. There are the most pleasing channels as of now, and things are moving forward.

Mr. MATTHEWS: Mr. Chairman, I would like to ask General McNaughton if the commission has any information on pulp mill pollution and the effects on fish. I am actually thinking of oysters.

General McNAUGHTON: You are thinking of the St. Croix river?

Mr. MATTHEWS: No, I was thinking of the pulp mill at Crofton, which is on salt water and affects the oyster beds at Ladysmith. I have had some complaints on that. It is not international, but—

General McNAUGHTON: May I say, again, that we in the commission must be exceedingly careful that we do not get beyond our terms of reference, and our terms of reference in the matter of water pollution are such that we can only deal with these matters when we are instructed to do so by governments,

who have the responsibility of inviting our attention to it and asking us to make a report. Under the treaty of 1909 we and the governments only have power where pollution crosses the boundary and is harmful. That means that we cannot study pollution in a national river that is not crossing the boundary: we would not have any jurisdiction at all to even talk about it. We have not any jurisdiction over the waters of the Great Lakes themselves where the ships are throwing sewage in the water. That is not for us; that is for the marine departments to deal with. It is only in the channels where pollution on one side may go across to the other with the play of currents.

There was special mention made in our studies of pollution on the St. Croix river that we should pay attention to the oysters beds, and others, and the effect on them, which we have done in our report which is now forward for consideration by governments.

Mr. MATTHEWS: That report would probably cover what I want to find out.

General McNAUGHTON: The St. Croix river report will be out soon.

Mr. MATTHEWS: That will probably cover it very nicely.

General McNAUGHTON: May we make a note to send you a copy as soon as we have it, Mr. Matthews?

Mr. MATTHEWS: I would appreciate that.

Mr. PAYNE: Mr. Chairman, at some subsequent meetings—I realize it is not possible to do it now, with the short time left today—I was wondering if General McNaughton would report in at least part of the detail on the matters concerning the Saint Mary river in southern Alberta. The main reason for asking that question is that many of our American friends, when we are discussing the Columbia these days, keep throwing up matters to do with the Saint Mary river. Personally, I am particularly ill-advised as to what the matters are surrounding that river.

General McNAUGHTON: I would be very glad to do it.

I would like to mention now the problem of the Saint Mary river—which was a very acute problem between Canada and the United States in the early 1900's—was one of the principal reasons why there is the treaty of 1909. The very ingenious solution of the particular difficulties is set forth in article 6 of the treaty. I will be very glad to provide a copy of that treaty for you.

Mr. PAYNE: You have done so, sir.

General McNAUGHTON: Oh. I have done so. You may recall that the early irrigation developments in that region were on the Saint Mary in Canada. In 1904, or thereabouts, the United States decided to build a reservoir at Shelbourne and to cut off the flows for the benefit of some of their irrigation works there. That meant the people downstream were going to be ruined in the process because if the water was cut off all their investment in irrigation would be gone.

The commissioners arrived at a sort of general conclusion that in rivers flowing across the boundary, it would be equitable if the waters—particularly rivers used for consumption purposes—were to be equally divided. But the Canadian requirements on the Saint Mary were a good deal more than half the flow of the Saint Mary river. At that time the Milk river was not being used, so they adopted the device of declaring the Milk and Mary one river for the purposes of apportionment, and apart from some priorities on one river in the early part of the season and on the other river in another part, in effect they made an equal allocation of flows at the boundary.

You will notice substantially the same thing has been done, where the conditions warranted it, on the Souris, between Saskatchewan and North Dakota, an equal division.

You cannot lay down a sort of omnibus solution of these matters, because all sorts of things come into it that have to be taken into account. Waters are so precious you cannot give people a right to them unless they have a use for them.

The commission has no jurisdiction in rivers flowing across the boundary itself. That is a matter for the governments; but the governments can, of course, refer it to the commission to report. In the Kootenay there is one other matter a little different over there, and that is a question of diversion. Article 4 provides that a downstream state cannot put an obstruction in a river which would have the effect of causing levels above a boundary to rise. If anybody in a downstream state proposes to build a dam below the boundary causing flooding above, the matter must either go to the commission, which is given jurisdiction to deal with it, or, alternatively, the governments can deal with it themselves, if they wish to.

Mr. PAYNE: Have there been rather recent disputes between Montana and Alberta relative to the Saint Mary arrangement?

General McNAUGHTON: The commission had a good deal of trouble at the beginning, you will recall, when the Milk and the Mary were thrown into one pool, which mostly related to trying to define just how those rivers were constituted and what the tributaries were which were involved.

Once they arrived at agreement in the commission as to what the tributaries were that should be involved in this division, a scheme was set up with duly accredited officers appointed, gauging stations established, and so on; and we have not had a bit of trouble over those rivers ever since.

It was only the day before yesterday I got a report on the Mary and Milk and read it over the week-end. There is no trouble for us to take up and deal with at all.

Mr. PAYNE: You mean, no recent contentions?

General McNAUGHTON: No, none at all. It is all settled equitably and well understood. The peoples in the communities have adjusted themselves to the conditions established by the commission's officers, and it has all worked out all right.

We have two other rivers that rise in Alberta, and that is the Waterton and the Belly. We had a reference on that, to make an allocation of these flows in these rivers flowing across a boundary; but when the commission went into it and studied the matter it was very apparent these two rivers came down very narrow, steep valleys, with broken rock, and one thing and another, and the rivers could not be turned to the use of the United States. If they could not be turned to use, divine providence provided they should go across the boundary and become Canadian. That was that, and that ended that reference.

The CHAIRMAN: Gentlemen, I think we have run out of a quorum.

Mr. HERRIDGE: Mr. Chairman, could I ask some questions?

The CHAIRMAN: I think we could continue for a minute or two, and finish up.

Mr. HERRIDGE: Mr. Chairman, the engineering board report, on page 57, deals with navigation on the Columbia, and mentions that:

In Canada, navigation on Arrow, Kootenay, Slochan, and Okanagan lakes is important locally. The main traffic consists of log booms and ore shipments on Arrow lakes,...

and so on. That is so today and, in fact, with a greatly increased traffic with pleasure craft from the United States. Last year, in fact, about one hundred came up the Columbia, some going as far north as Revelstoke and, in fact,

some coming from Portland. What provision is made for the maintenance of navigation facilities in the way of locks, supposing the Murphy creek dam were built?

General McNAUGHTON: I can answer that question because the Canadian section took the initiative in instructing that the designs, which were all worked out for the purpose of this report, should make provision for a lock at Murphy creek to be built when occasion should require it. It is incorporated in the design of the Murphy creek structure. I cannot give you, from memory, what the dimensions are, but it is a substantial lock.

Mr. HERRIDGE: There is a responsibility there on the part of the federal government to protect navigation facilities?

General McNAUGHTON: Yes, the Columbia is a navigable river and as such there is a federal responsibility. Of course, you would not build the dam unless there was a real reason. It would not be for the commission to determine: it would be, in due course, that the department of government concerned here would say whether the dam was to be built or not.

What we felt we had a responsibility for was to see to it that the provision was made in the original design, so that those works could be built by the proper authority when the time came, when they were required; and that has been done. That will save a lot of money, of course.

Mr. HERRIDGE: Which dam on the southward flowing section of the Columbia provides the greatest flood control in Canada and the United States? I think it is mentioned that it is south of the border.

General McNAUGHTON: I think it would be very difficult to answer that question, because you have not only the floods on the main stream, but the floods on the tributaries, and sometimes you get flooding in one place and sometimes in another.

Generally speaking it is advisable, from the point of view of economics and from the point of view of the best use of flows, to capture the floods, the crests of the floods, as high up in the basin as supply permits. You cannot go right up into small creeks, because you would have infinite trouble and cost. But you move your dam down, and have the sizable amount of water you want.

If you look at the engineering board report I think you will see, in the appendix, that table 16 gives the various values of flood control benefit from every one of the reservoirs which are contemplated. You will see, running from the top, that Libby, if it were built, would be \$4,990,000 a year, that the Dorr projects are put at about one million a year and the Bull river-Luxor is worth four and one-half million, so the Dorr-Bull river reservoir is worth possibly half a million more than Libby would be worth. The Mica dam is given at \$5,830,000 annually as an average for flood control purposes. That gives some benefit in Canada, but more in the United States of course, because there is really very little development at risk in the Canadian portion of that basin.

Then coming further south at Arrow lakes they gave the Arrow lakes a credit of 6.2 million. Then you get down into the United States and our reservoirs of course have a very small effect indeed, relatively speaking.

Does that give you an indication?

Mr. HERRIDGE: Yes. Thank you.

Mr. McCLEAVE: For the sake of the record, and in fairness to you Mr. Chairman, it should be pointed out that we have had a quorum all along.

The ACTING CHAIRMAN: Are there any further questions? I believe General McNaughton has completed his report.

General McNAUGHTON: Yes.

Mr. NESBITT: Mr. Chairman, at this point I may say for the record how much I believe all the members of the committee have appreciated the great clarity with which General McNaughton has given us his report. I am sure we all appreciate it.

Mr. HERRIDGE: Unanimously.

The ACTING CHAIRMAN: I take it from that the committee will not require General McNaughton to return at any time later this session.

Mr. MATTHEWS: Mr. Chairman, I was just wondering if General McNaughton would be coming back again.

The Acting CHAIRMAN: I believe not, unless it is requested by the committee. He will be away from Ottawa for some time.

General McNAUGHTON: We are going now into a whole series of meetings of the commission. We start next week at Washington and then we have public hearings in the Maritimes. We then go to Saskatchewan and British Columbia. We will be travelling a good deal, but are available on call. You have only to let us know long enough in advance to enable us to make arrangements and get our reports together. We consider it a privilege and a pleasure to come and speak to you gentlemen and give you this information.

Mr. MATTHEWS: I think we are very fortunate in having General McNaughton looking after our interests.

The Acting CHAIRMAN: I am sure every member agrees. We wish to thank you, General McNaughton, very kindly for this full report.

Before we retire gentlemen, shall items 105 and 106 carry?

Items agreed to.

The Acting CHAIRMAN: At our next meeting we expect the minister to be present, but if he is not present we will go on with other items and have the deputy minister and the officials present.

Mr. NESBITT: If the minister is not able to be at the next meeting then the under-secretary might be present to answer questions in respect of departmental administration.

The Acting CHAIRMAN: I think that will be in order.

I think this morning I should mention, and I am sure all members will agree with me, that we were pleased to have Mr. Macdonnell help us carry on our proceedings today, although he is not a member of the committee.

The committee stands adjourned until 9:30 on Wednesday morning, March 30th.

HOUSE OF COMMONS

Third Session—Twenty-fourth Parliament

1960

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10

WEDNESDAY, MARCH 30, 1960

ESTIMATES 1960-61 OF THE DEPARTMENT OF
EXTERNAL AFFAIRS

WITNESSES:

Messrs. N. A. Robertson, Under-Secretary of State; E. W. T. Gill, Assistant Under-Secretary of State; H. B. Stewart, Head, Finance Division; and M. Grant, Head, Supplies and Properties Division; all of the Department of External Affairs.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1960



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Vice-Chairman: F. E. Lennard, Esq.,

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Smith (*Calgary South*),
Valade,
Vivian—35.

Eric H. Jones,
Clerk of the Committee.

ORDER OF REFERENCE

HOUSE OF COMMONS,

TUESDAY, March 29, 1960

Ordered,—That the names of Messrs. Kucherepa, Lafrenière and McIntosh be substituted for those of Messrs. Matthews, McFarlane and Payne on the Standing Committee on External Affairs.

Attest

L.-J. RAYMOND
Clerk of the House.

MINUTES OF PROCEEDINGS

WEDNESDAY, March 30, 1960.

(11)

The Standing Committee on External Affairs met at 9.30 o'clock a.m. this day, the Vice-Chairman, Mr. F. E. Lennard, presiding.

Members present: Miss Aitken and Messrs. Batten, Cardin, Crestohl, Fairfield, Herridge, Jones, Kucherepa, Lennard, Macquarrie, Mandziuk, Martin (*Essex East*), McCleave, McIntosh, Montgomery, Richard (*Ottawa East*), Slogan, Smith (*Calgary South*) and Vivian.—(19)

In attendance: of the Department of External Affairs: Messrs. N. A. Robertson, Under-Secretary of State; E. W. T. Gill, Assistant Under-Secretary of State; H. B. Stewart, Head, Finance Division; and M. Grant, Head, Supplies and Properties Division.

The Committee resumed its consideration of the 1960-61 estimates of the Department of External Affairs.

The Committee reverted to Item 75, Departmental Administration.

Following some questioning of Mr. Robertson, Item 75 was allowed to stand.

Item 76, Representation Abroad—Operational, was called. Messrs. Robertson, Gill, Stewart and Grant were questioned thereon.

Item 76 was carried.

Item 77, Representation Abroad—Capital, was called and the witnesses were questioned thereon.

Item 77 was carried.

The following items were severally called and carried, namely,

Item 78, International Commission—Indo-China.

Item 79, NATO—Staff Assignment.

Item 80, Official Hospitality.

Item 81, Relief and Repatriation of Distressed Canadians.

Item 82, Representation at International Conferences, was called and the witnesses were questioned thereon.

Item 82 was carried.

The following item were severally called and carried, namely,

Item 83, Grant to the U.N. Association in Canada.

Item 84, Grant to the Canadian Atlantic Co-ordinating Committee.

Item 85, To assist in defraying costs of the Commonwealth and Empire Law Conference.

At 10.55 o'clock a.m. the Committee adjourned until 9.30 o'clock a.m. on Friday, April 1, 1960.

Eric H. Jones,
Clerk of the Committee.

EVIDENCE

WEDNESDAY, March 30, 1960
9:30 a.m.

The VICE CHAIRMAN: Gentlemen, we have a quorum: would you please come to order. As you know, item 75, departmental administration, is to be left open—so shall we proceed with item 76, representation abroad? What is your wish?

Item 75 Departmental Administration\$ 6,370,736

Mr. MARTIN (*Essex East*): We are leaving the main administration item open?

The VICE CHAIRMAN: That is right.

Mr. MARTIN (*Essex East*): In view of the announcement made by the president and Mr. Macmillan yesterday, it would be worth while for the minister to give consideration, possibly at our next session tomorrow, if there is going to be a session tomorrow—

The VICE CHAIRMAN: On Friday.

Mr. MARTIN (*Essex East*):—Friday, giving us an opportunity of having the Canadian position on this very important problem. Perhaps the mere mention of this, Mr. Chairman, might serve as notice to give him an opportunity of considering it.

The VICE CHAIRMAN: I will draw it to his attention. Then it is agreed, gentlemen, that we proceed with item 76?

Mr. HERRIDGE: Just before you leave item 75—

The VICE CHAIRMAN: It is open: you can discuss anything on it.

Mr. HERRIDGE: Yes, but I hope we are not going on to the next item now. I would like to ask the appropriate person what procedures the department uses in this respect. Supposing the C.B.C. is showing a television program, or producing other programs which might be objectionable to certain other countries, and they make representations, what procedures are used by the department?

As was recently indicated, if the Royal Canadian Air Force sponsors a television program which is somewhat in contradistinction to the department's policy and purpose, what does the department do under those circumstances to correct the situation?

Mr. N. A. ROBERTSON (*Under-secretary of State for External Affairs*): That is really two kinds of question. In the second case, the one you referred to where it is a question of the exhibition of a film under the auspices of a government department, then there is direct consultation with the department to inquire whether it is in line with government policy to authorize such an exhibition. That is a perfectly straightforward, direct and easy responsibility.

On the other question, the first question relating to programs on the C.B.C. to which a foreign government might make objection, a primary consideration is respecting the complete independence of the C.B.C. and its judgment in arranging its programs. We are not really in a position to sort of accept responsibility or promise action. We have, from time to time, inquiries or representations from governments. We take note of them, and presumably

they are taken into account in the general planning arrangements; but we have had to make it very clear to the other governments that the C.B.C. is an independent organization and is not an instrument of the government of Canada.

Mr. HERRIDGE: I was thinking particularly of an incident I read about last year in connection with the North African situation. I understood the French government took some exception, and I was just wondering whether you would notify the C.B.C. that you had received these objections—without any comment or direction or suggestion as to that.

Mr. ROBERTSON: I think they would be informed, but there would not be the same kind of consultation that we would have automatically with another government department.

Mr. HERRIDGE: I understand; thank you.

Mr. MARTIN (*Essex East*): What would be the situation with regard to a film that was referred, let us say, to the Department of National Defence, involving Canadian relations with other countries? Supposing a film was being considered by the Department of National Defence as to whether or not it was appropriate: would that be referred to the Department of External Affairs for assessment?

Mr. ROBERTSON: I should think not, automatically—unless there was an international aspect to it.

Mr. MARTIN (*Essex East*): I left out the word “automatically”; I should have used it when I corrected myself.

There was a film that was questioned yesterday in the house. The newspapers have reported that the Department of External Affairs had expressed its opposition to some portions of this film. Is that the case?

Mr. ROBERTSON: I am not sure whether I know enough about the circumstances to try and explain that fully. I have not seen the text of the statement made yesterday by the Minister of National Defence. I had assumed that this film to which exception was taken was one that our people had seen last year: they were invited to see it by National Defence. I am not quite sure now whether the film that was actually filmed was the film our people had seen.

Mr. MARTIN (*Essex East*): This was the NORAD film.

Mr. ROBERTSON: Yes, it was a related film, but I am not sure whether it was the identical film and I am not sure whether National Defence have cleared that up themselves.

Mr. JONES: It was an unofficial film shown over a private television station at Barrie, was it not?

Mr. ROBERTSON: I do not know the status of this station near Barrie.

Mr. MARTIN (*Essex East*): It is a private station.

Mr. HERRIDGE: That makes no difference.

Mr. JONES: It was an unofficial film.

Mr. HERRIDGE: No: it was reported to us as a NORAD film, sponsored by the R.C.A.F. in Canada.

Mr. MARTIN (*Essex East*): In any event, if the Department of External Affairs said that they had an objection to a film, I presume that the practice would be that no government department would proceed to authorize its use.

Mr. ROBERTSON: As our minister said, when he was asked in the house, there would be no responsibilities of censorship in this field at all. But in the ordinary case, if the department is interested in producing a film that seems to have some bearing on our international relations, they consult the Department of External Affairs and I would expect that they would take our views into account.

The VICE CHAIRMAN: Shall we get on with item 76?

Mr. MONTGOMERY: Mr. Chairman, I just want to follow that up with one question. I gather that no department has any more authority, apparently, for a film than an individual citizen. They may object they may file a protest or bring it to the attention of the department—but any citizen can do that, can he not?

Mr. ROBERTSON: Yes, I suppose that if a film appears to raise questions of government policy, sponsored by a department of government, then that becomes a matter for consultation between departments and the minister.

Mr. HERRIDGE: Mr. Chairman, I just want to say that in view of the under-secretary's answers, in view of the answers given previously, and in view of the particularly critical international situation facing us at the present time, it does not seem as though there is any procedure worked out for discussing these things between departments and clearing them up.

I know the C.B.C. is a separate agency; but there are overriding considerations in some cases there.

The VICE CHAIRMAN: They have censorship within themselves, have they not: the C.B.C. has a censorship board, has it not?

Mr. HERRIDGE: I am not quite sure whether they have, or not; but I think that under the circumstances there should be some general clearance so that there will be no bloomers made by any department. I think that could be done by a procedure that is worked out as a result of the last few weeks' experience.

Mr. FAIRFIELD: Does not this appear to be "flogging a dead horse"? After all, this was an unofficial film, was it not; it was not an official film?

The VICE CHAIRMAN: That is as I understand it; it was unofficial.

Mr. JONES: From a private television station.

Mr. MARTIN (*Essex East*): I do not think it matters whether it was official or unofficial; I think the point we are all concerned with is, if a film was being shown in Canada and if it portrayed incidents that were contrary to Canadian foreign policy, we would want to feel assured—as I think we are, from what Mr. Robertson has said—that the Department of External Affairs would express its concern to the C.B.C., not in the sense of imposing its will, but in a persuasive manner. Then I take it, Mr. Robertson, that in all probability that view of the Department of External Affairs would be respected?

Mr. ROBERTSON: I do not think I have quite made our position clear. Mr. Herridge asked two separate questions which raised rather different problems.

There is the question of a film shown apparently under the auspices of a department of government. That raises directly a question of consultation, if it fringes on government policy—as this film in Barrie appeared to do. You heard that dealt with and discussed by the Minister of National Defence in his statement yesterday. In that sort of area there is direct consultation between the parties.

The VICE CHAIRMAN: And this was not a C.B.C. film.

Mr. ROBERTSON: This was not a C.B.C. film, was it?

The VICE CHAIRMAN: No, it was R.C.A.F.

Mr. ROBERTSON: I just wanted to make clear that the position with regard to the C.B.C. is quite different.

The VICE CHAIRMAN: Shall we get along with item 76, gentlemen—representation abroad—operational?

Item 76 Representation abroad—operational—including authority, notwithstanding the Civil Service Act, for the appointment and fixing of salaries of high commissioners, ambassadors, ministers, plenipotentiary, consuls, secretaries and staff by the Governor in Counsel\$ 10,042,971

Mr. MARTIN (*Essex East*): Perhaps Mr. Robertson will remember that in the committee last year, and in the house, the question of Canada's representation, particularly in the Middle East, was raised several times. I suggested that in view of the intensity of the situation there which sporadically reveals itself, consideration should be given to the establishment of a mission in Bagdad, in Iraq.

Is Mr. Robertson in a position to say what progress has been made in that regard?

Mr. ROBERTSON: No, I am not. It is under continuous consideration, but I am not in a position to answer that question.

Mr. MARTIN (*Essex East*): Is it not a fact that our ambassador in Cairo has made some visits to Bagdad?

Mr. ROBERTSON: Yes, he was there in July on a special mission, representing the government.

Mr. MARTIN (*Essex East*): He was there on a special mission? What was the mission?

Mr. ROBERTSON: I think it was a general invitation to countries to be represented at the anniversary of the inauguration of the government.

Mr. MARTIN (*Essex East*): At the anniversary of the revolution?

Mr. ROBERTSON: Yes. He was there for a week.

The VICE CHAIRMAN: Are there any further questions?

Mr. VIVIAN: Mr. Chairman, I wish to ask a question on representation abroad. It has always been the feeling that European countries were the countries which needed representations to the largest extent. I wonder if sufficient emphasis is being given to that, particularly in view of the increasing populations of the world, and if there is a shift away from Europe to other parts of the world. I wonder whether the representations there are being strengthened, or whether the staff is being maintained.

Mr. ROBERTSON: I think there is no question of a shift away from Europe. The government's effort is to increase and strengthen Canadian representation in the other countries which are coming into the international field.

Mr. JONES: Regarding item 76 (1), the explanation given in the notes is that the increase of \$173,465 on this item is due to four listed items, one of which is an increase of 11 positions required for the opening of a mission in Lagos.

I wonder if the under-secretary could give us some idea of the operations in Lagos and what these positions are. Is it a fully complete mission there?

Mr. ROBERTSON: Perhaps I might ask Mr. Gill to explain that.

Mr. E. W. T. GILL (*Assistant Under-secretary of State for External Affairs*): I will try to answer that, Mr. Chairman. This establishment for the Lagos mission is what we regard as the standard establishment for a small post, or for a new post. It calls for a high commissioner there of the rank of foreign service officer, grade 7; it calls for an intermediate officer and for a junior officer, whose duties run over into the administrative field.

They are supported by an administrative staff, which includes a clerk and two rotational stenographers; that is, stenographers sent from Canada. In addition to that there is provided for in Lagos—as at other posts—a local

staff establishment, where certain people are taken on the high commissioner's personal staff and in the office itself. They include a driver, perhaps a gardener, and a senior servant, as far as the high commissioner is concerned—and certain clerical positions in the office.

Mr. JONES: Are special allowances given in missions such as Lagos for compensation for which the military equivalent would be a hard-living allowance?

Mr. GILL: Yes, Lagos and certain other posts are classed as, well, difficult posts for one reason or another, and there is an allowance provided which applies to the members of the administrative staff but not to the officers' staff. It is called "post differential".

The VICE CHAIRMAN: Any further questions?

Mr. MACQUARRIE: I take it that the mission to Nigeria is our only extension in the African continent. Is there any contemplated extension through the use of other missions to establish any strictly diplomatic contact with other areas in Africa, such as the newly emerging Ghana, for instance?

Mr. ROBERTSON: Our representative in Ghana is only accredited to the government of Ghana, and he represents our government at functions in Liberia. The one man who is going to be at Lagos will, I think, represent Canada at the independence ceremonies of the new Republic of Togoland. Mr. Comtois went out in January to represent the government of Canada at the inauguration of the independence of the Cameroons. A departmental official went with him and took advantage of that to establish contacts with the other central African governments.

Then there is also a certain contact with the newly developing regions of the French Community there. A representative of our embassy in Paris has recently been in North Africa. It is rather informal, but it is a beginning.

Mr. MACQUARRIE: What about the Sudan and Libya; anything along those lines?

Mr. ROBERTSON: No, we have no representation. Our diplomatic contacts with them are probably through our missions in Washington or London.

Mr. RICHARD (*Ottawa East*): Mr. Chairman, I would like to ask about item 76 (1). I see 6 security guard positions, and 33 additional positions listed in the mimeographed sheets of details of estimate items. Are they recruited among Canadian citizens or local people?

Mr. GILL: Canadian citizens. They are what we call members of our rotational staff who are liable for service at home and abroad.

Mr. RICHARD (*Ottawa East*): And I see \$141,619 for municipal and public utility services. How does that compare with the cost of foreign embassies in Canada? Have you the relative figure?

Mr. H. B. STEWART (*Head, Finance Division, Department of External Affairs*): This is on 17?

Mr. RICHARD (*Ottawa East*): Yes. What is our total cost for municipal and public utility services?

Mr. STEWART: Could I take that, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. STEWART: Municipal and public utility services, \$141,619. Now, the breakdown of that estimate is for taxes and water rates \$18,000, electricity and gas \$116,000, and other utility services. The increase this year is as a result of increases in the utility rates in the countries concerned, plus enlarged accommodation to maintain, and there is an extra in that this year for the utility services provided for the post in Nigeria.

Mr. RICHARD (*Ottawa East*): Do the foreign embassies pay for those public utility services in Canada?

Mr. STEWART: I would say they would definitely pay for their water rates and electricity and gas. The taxes provided here, I think, are probably other than property taxes if that is what you refer to sir.

Mr. MARTIN (*Essex East*): What missions that we have established now have no heads at the moment? Are there any?

Mr. ROBERTSON: Well there are a number of missions presently in charge of a charge d'affaires.

Mr. MARTIN (*Essex East*): What posts are they?

Mr. ROBERTSON: Warsaw, Helsinki—

Mr. MARTIN (*Essex East*): Warsaw never had an ambassador, did it?

Mr. ROBERTSON: No, not a resident ambassador,—Helsinki, Prague, Haiti, the Dominican Republic and Uruguay.

Mr. MARTIN (*Essex East*): But there are no vacancies in posts where normally we have an ambassador or minister?

Mr. ROBERTSON: No, I think that is right. During the war we had a single representative in London who was a minister accredited to the governments in exile—Poland, Czechoslovakia and Norway—but since the war our resident representative in Poland and Czechoslovakia has been a charge d'affaires.

Mr. MARTIN (*Essex East*): I understand in the United Kingdom Mr. Ormsby-Gore, who is the British representative at the 10-power disarmament meeting has been given the status of head of mission. The delegation has been raised to the status of a mission for the purposes of allowances, I suppose, generally?

Mr. ROBERTSON: We have dealt in the same way.

Mr. MARTIN (*Essex East*): So that General Burns—

Mr. ROBERTSON: Has the rank of ambassador while he is there, and the establishment that is required.

Mr. JONES: Getting back to a mission such as Lagos, what provision is made for dealing with diseases, such as malaria, that our people get in the course of their duties when they are performing in the middle African area such as Lagos? Is there some provision for compensation?

Mr. GILL: In the first instance, of course, there is a fairly rigid medical examination which is related to their posting; in other words, they are examined to see if they are in suitable physical condition, and so on, to go to a post of that kind, a tropical post. Secondly, there is the list of inoculations, that they have here in preparation for going out and, thirdly, they are given instruction as to the precautions they should take when they are on the spot in order to avoid, if they can, any of the ailments to which they are exposed, and that includes taking, in the case of Ghana and I think possibly Nigeria, a malarial suppressive.

Mr. JONES: The question I asked is, suppose they get malaria and it leaves permanent effects in a person's health, what provision is made for meeting that situation?

Mr. GILLS: For their recovery?

Mr. JONES: Yes, or any compensation for their disability?

Mr. GILL: Well, the first step would be that they would be treated locally and then they would be brought home if their condition required. They would be treated in the Montreal veterans' hospital, in the tropical wing. If it could be shown that they were suffering a permanent disability as a direct result of

the service in a particular country, then the question of compensation would be discussed with Treasury Board. I think that is the situation.

M. JONES: It is taken on an individual basis, I gather, rather than according to some kind of routine?

Mr. GILL: Yes.

The VICE CHAIRMAN: Any other questions?

Mr. MARTIN (*Essex East*): On the question of representation, what is the relationship of External Affairs in the matter of communicating the viewpoint or decision of, let us say, the Department of National Defence in the United States to its opposite number or the government of Canada? Does the Department of External Affairs in any way act as a communicating link, or is the communication direct between minister and minister, department and department?

Mr. ROBERTSON: There are many contacts and channels of communication at different levels between the government of Canada and the government of the United States; but if it is a question of negotiating an agreement between the government of Canada and the government of the United States it goes through the Department of External Affairs and is handled either by our embassy in Washington or the American embassy here. That does not, of course, include the great range of different levels.

Mr. MARTIN (*Essex East*): What would be the instrument of communication between, let us say, the government of France, the military department in France and the government of Canada. Would that be done in the same intimate way as between Canada and the United States, or is it done as between the Quai d'Orsay and External Affairs?

Mr. ROBERTSON: Well, we both have service attaches attached to our embassy in Paris and the French embassy here, and they would be in direct touch with the service departments. But again on any question of policy affecting either government, it would be handled through the diplomatic channel. That is the normal pattern.

Mr. JONES: That is except, of course, I suppose, for agreements arising out of NATO forces or anything like that?

Mr. ROBERTSON: Yes, they would all come through External Affairs.

The VICE CHAIRMAN: I wonder if you would speak up? I am not referring to the under secretary; it is to some of the questioners.

Mr. MARTIN (*Essex East*): I am sorry.

Mr. MONTGOMERY: In connection with the continental defence of North America through NORAD, and between the United States defence department and the Canadian chiefs of staff, is there direct communication, or would you go about that in a different way?

Mr. ROBERTSON: Well, of course, in the field of air defence NORAD is a completely integrated organization, answerable in the first instance directly to the chiefs of staff committee in Canada and the chiefs of staff in the United States, depending really on the subjects they work on. If they raise any questions of policy they are to be brought to the attention of the respective governments through service channels. If they are exchanging views on those questions, that would be done through diplomatic channels between Washington and Ottawa. If we raise it we use our embassy in Washington; if the Americans raise it they put it through their embassy here.

Mr. KUCHEREPA: Is there any routine policy by the department respecting the rotation of personnel in foreign countries?

Mr. GILL: Yes, there is a plan on which we work; that is, posts are classified as A, B, C, and D, in accordance with the length of the normal tour

of duty. Three and a half years is considered a normal tour of duty at an A post, three for B, two and a half for C, and so on; and we try to arrange our postings to conform to that. We also try to provide that an individual does not get a series of postings in any one category; so that in a career he will have a reasonable chance of serving at different types of posts.

Mr. KUCHEREPA: Are there any major deviations from this system?

Mr. GILL: No, I would not say there are major deviations, but departmental requirements are such that one cannot always adhere to it strictly.

Mr. HERRIDGE: Mr. Chairman, I want to ask Mr. Robertson another question because of the close relationship between defence policy and foreign policy. He mentioned that NATO was an integrated group, and they would deal with appropriate Canadian authorities or vice versa in respect of matters directly under their control; but sometimes, even though it would appear on the surface to be administrative or even technical, defence policy might have a reflection on foreign policy. Would the under secretary tell us where that line is drawn, where decisions made by NATO itself on a military basis would be impinging on foreign affairs?

Mr. ROBERTSON: I suppose that is always a matter of judgment in the circumstances. I do not think you can draw any very useful line in the abstract. It is a matter of continuous judgment and responsibility to spot the questions with policy implications, and see that the general position is underlined with government policy. I think that is a responsibility of all civil servants.

Mr. HERRIDGE: Are there any particular instructions to the military chiefs as to references of problems that might be border line?

Mr. ROBERTSON: Oh, yes. For instance, when our Canadian joint staff mission in Washington, which is a combined representation of the different services in the Department of National Defence, was set up, it was set up under instructions laying down their relations with the ambassador—that is, agreed instructions worked out between the departments. The same way with our joint staff mission in London. Their responsibilities and their relationships to the high commissioner are spelled out in some detail in their confidential instructions.

Mr. MARTIN (*Essex East*): Is there anything in those instructions that governs the liberty of National Defence officially from communicating with someone in the United States, say, without reference to the diplomatic mission in Washington?

Mr. ROBERTSON: Their own departmental regulations are consonant with the agreed instructions to joint staff. There are an infinite number of questions coming up that are handled direct, without going through the embassy but within the framework of general government policy, which are approved at the higher level.

Mr. MARTIN (*Essex East*): Would you not agree that, bearing in mind that External Affairs is supposed to be the medium of contact with foreign powers, there is growing in Canada, not only with regard to National Defence but other departments some deviation from the normal practice of using External Affairs as the instrument of contact? The Department of Justice, for instance, is an example.

Mr. ROBERTSON: There is no appreciable slackening of volume of communications going through the Department of External Affairs; but I think that there is some basis, particularly as between Canada and the United States. Take the two departments of Agriculture; they have a long tradition of direct cooperation in enforcing bacteriological quarantine in plant and animal life. You can probably match that in almost every field of communication.

Mr. SMITH (*Calgary South*): I wonder if I might ask a question in regard to the career of diplomatic advisers,—and I am thinking not of those at the United Nations but those who go out on any post, with respect to their pay and allowances, their expense accounts. The impression, I think, Mr. Robertson, by many people until they come in contact with this, is that they are being overpaid, whereas actually quite the reverse is true. The United Nations group is an example. I have felt they have to live on a very meagre allowance, particularly in New York, in relation to other diplomatic staffs from other foreign countries.

I wonder if it is not just about time that those should be reviewed and some consideration given—and I can only speak, incidentally, of New York where the cost of living is extremely high—to give some assistance to those people beyond what we are doing now?

Mr. GILL: May I ask, Mr. Smith, if in your reference to New York you were speaking of the permanent delegation, or the delegation to the annual assembly?

Mr. SMITH (*Calgary South*): I do not think I would separate the group. I am perhaps a little more conversant with those who appear at the general session, but I consider that the ambassador and his staff,—and I think I am correct in saying this, from the comparisons I have been able to make, and unfortunately I have not brought them with me—were somewhat lower than other countries. What I am concerned about is, are we putting our people in the position that they have to act like poor relations, purely because they are paid less than the staffs of other countries?

Mr. GILL: The reason I asked which you were referring to was that they are on a different basis. Those who attend the annual assembly are on a per diem basis, which is authorized annually by treasury board. Those who are members of the permanent delegation or any of our missions abroad come within the regular allowance structure. Allowances for foreign service officers are made up of living and representational elements which are subject to fluctuations in exchange or cost of living. This aspect of the matter is kept under review by the Dominion Bureau of Statistics who have responsibilities in that connection. The present system of allowances was devised in 1947 or thereabouts, and has been in effect for something over ten years. It is now being reviewed in consultation with treasury board.

Mr. SMITH (*Calgary South*): May I just ask if this is in relation to both the delegation staff and the permanent staff?

Mr. GILL: Permanent staff, Mr. Smith.

Mr. SMITH (*Calgary South*): Well may I suggest, sir, that perhaps the delegation staff should also come under the same review? No one expects, of course, that they should be paid excessively, but a great many of them, I think, have some hardship in relation to the pay that is given to other staffs doing exactly the same work. I hope this will also be brought under review.

Mr. STEWART: You are speaking now of the delegation from Ottawa that goes down?

Mr. SMITH (*Calgary South*): Yes.

Mr. STEWART: Each year at United Nations' time, beforehand we go to treasury board with a submission asking for a per diem rate and for entertainment allowance. When this is done next year what we can build up in the way of a proven case we would then try to have that allowance increased. It has been static for several years now.

Mr. SMITH (*Calgary South*): May I suggest to you that so much of the conference work by these people has to be done or is usually done in some

form of entertainment in negotiating a position with other delegates I think the review should be taken very quickly.

Mr. CRESTOHL: Would a question as to the nature of our legation in Singapore be in order under this heading?

The VICE CHAIRMAN: Any of the foreign representatives.

Mr. ROBERTSON: May I just say the office at Singapore is a trade commissioner's office. It comes under Trade and Commerce estimates, and not External.

The VICE CHAIRMAN: That would not be an External assessment.

Mr. CRESTOHL: I am aware of that. While the commonwealth association delegation was moving around we came to some of these places, and we were a little surprised there was no legation in a busy place like Singapore. The gentleman there was doing a magnificent job as a trade commissioner and my inquiry is as to whether or not he has sufficient latitude as a trade commissioner to represent Canada on diplomatic matters. I know he is extremely popular and very well thought of, and we were given a splendid impression of the individual and his entire staff and the splendid work he was doing. We were astounded at the fact there was no legation other than a trade commissioner.

Mr. ROBERTSON: Singapore, of course, is generally a commercial centre; but constitutionally it has a complete internal self-government. Its foreign affairs are handled by the United Kingdom. No countries would have, strictly speaking, diplomatic representation in Singapore. I think you will find they probably have Consuls General whose functions are actually comparable to our trade commissioner's, but none of the countries has legations or embassies. That is a result of the constitutional position of Singapore, and not of, say, our government policy.

Mr. MARTIN (*Essex East*): It has colonial status in regard to foreign policy?

Mr. ROBERTSON: Yes, it is in a rather ambiguous and anomalous position, with complete internal self-government; but foreign affairs and defence are still reserved questions.

Mr. CRESTOHL: We got the impression that if he had the status of consul general, for instance, it would be very useful and helpful to him even in his service as trade commissioner.

Mr. ROBERTSON: This, again, is particularly a matter of nomenclature; but inside the Commonwealth, in representation of one commonwealth country with another commonwealth country we do not use the style of consul or consul general. The functions are often very similar, but they are performed—for instance, in Hong Kong or Singapore—by our senior trade commissioners. And there is United Kingdom representation across the country: there is a trade commissioner in Vancouver, in Winnipeg and in Montreal. I think, generally, that our members of the local consular corps—and, I would expect, our trade commissioner in Singapore—would have the same status and facilities as any Consul General.

I have not enquired about it, but I assumed they had the same status.

Mr. CRESTOHL: I am not speaking for the delegation, for our group—Mr. Mitchener headed our group—but I feel that I should give you the benefit of our impression on that score. We really felt that he was a splendid fellow, and the fine work that he is doing seems to suffer a little I think, that if he had a little higher diplomatic status—if it were possible—and, mind you, I am only giving our impressions; certainly this was not from any conversations with him at all—it would help him in his work. We thought this should be mentioned to you.

Mr. ROBERTSON: That is a helpful impression, and we will certainly see that it reaches the Department of Trade and Commerce.

Mr. SMITH (*Calgary South*): Mr. Chairman, I have another question with respect to the United Nations staff. I am not only interested in getting our diplomatic staff out of the New York hamburger shops, but I am concerned about our press relations.

You have an information officer assigned from the high commissioner's office for the work of the delegation. He is a very excellent individual, as you know so well, and performs his duties very capably; but he has no status as a press relations officer at all.

Mr. MARTIN (*Essex East*): Where is this?

Mr. SMITH (*Calgary South*): New York. We, again, are the exception to the majority of the delegations there, and I think that, not only for the foreign press but for the Canadian press, we should have someone on staff who is going to be in a position to give full time to this important position.

The present gentleman endeavours to do it with the little time that he has—because he is assigned eight or nine other responsibilities. I think it is unfortunate that Canada does not regard this office important enough to give full coverage to the activities of a delegation on a full-time basis.

Mr. ROBERTSON: There is a point there. It is partly a problem of establishment. We base the activities in New York on the consul general's office, which is busy 12 months of the year, and we borrow their facilities for the times of the assemblies. In this and many other fields we have to stretch our resources, and perhaps put too much load on people, to try and make do.

I had hoped that—even though it has the smack of improvisation—it was an arrangement that worked up to a point.

Mr. SMITH (*Calgary South*): I would just point out, again, that I would hope my comments would be of some help in impressing treasury board with the necessity of that, because it is an important position.

The gentlemen is endeavouring to do the best he can with the time he has; but he is given far too many responsibilities, and consequently much work is being left undone.

Mr. ROBERTSON: It is helpful to us to have a first-hand impression of how things are working out and where you think there is a short-fall.

Mr. JONES: Mr. Chairman, last year when we were discussing the question of rental of land, buildings and works, reference was made to the policy of purchase or rental. In some cases purchase of property may result in savings in the years ahead, whereas a continued rental of property subjects the department to increasing rental costs over the years. I notice that this year there is an increase in rentals of \$137,500 odd.

I wonder if you could tell us the policy situation on that at the present time. What is the policy in regard to purchase, as opposed to rental of accommodation; and are steps being taken to secure purchase whenever that might be shown to be economical in the long run?

Mr. ROBERTSON: I would say that as a long-term policy the economic advantages of ownership as against rental are established and recognized. But when you come to apply that in any given year, it is a problem of your general estimate position. There are times when you are making a very great effort to pull your estimates down, and there can be good reasons for postponing—I do not say reversing; but postponing—plans for purchase.

I think that over the years we have gradually—certainly over the last 50 years—taken up more ownership. I suppose that we now own properties in half to two-thirds of the places, would you say, Mr. Gill?

Mr. GILL: I have the statistics here.

Mr. MARTIN (*Essex East*): What is the situation with regard to Rome? Have we purchased the proposed property there that was closed up last year?

Mr. ROBERTSON: We have bought, and own—this is subject to correction—the chancery building, where the office of the ambassador and all his staff are now together. We rent a house for the ambassador. Arising out of the post-war settlement of relief credits, we have acquired a very fine building site in Rome which will be, I think, entirely suitable for the erection of an embassy and chancery together.

That is again a matter of timing—the most appropriate time for what, in the circumstances, would probably be a pretty expensive construction. Can you add to that, Mr. Gill?

Mr. GILL: I could add that Rome will be visited in the next few weeks by an engineer of Public Works to inspect the site that Mr. Robertson referred to, and to determine whether the building that is on it now lends itself to conversion, or whether another building—

Mr. MARTIN (*Essex East*): That is for the purposes of a chancery; but is there not another building that is proposed as—

Mr. GILL: That is a residence; I am sorry.

Mr. ROBERTSON: It is the size of site. We will probably be bringing everything together.

Mr. GILL: We could; it is possible.

Mr. JONES: Did you obtain those statistics?

Mr. GILL: Yes, I did, Mr. Jones. May I give them, Mr. Chairman?

The VICE CHAIRMAN: Yes.

Mr. GILL: As of the end of last year, of 61 chanceries, 12 are owned, 49 are leased; of 57 official residences, 20 are owned, 37 are leased; of 73 staff quarters, 16 are owned and 57 are leased. Also, we have six building sites, of which four are owned and two leased—which have not been developed yet.

Miss AITKEN: Mr. Chairman, I want to ask Mr. Robertson: what are you going to do with Canada House when the move is made?

Mr. ROBERTSON: In London?

Miss AITKEN: Yes.

Mr. ROBERTSON: The acquisition of the new premises in Grosvenor Square will not affect Canada House proper at all.

Miss AITKEN: It is in such a wonderful location that I thought it would be a pity to lose it.

Mr. ROBERTSON: It is a great location. In fact, within the last year and a half the government has acquired the premises immediately adjoining Canada House, on its side of Trafalgar Square, from the Royal College of Physicians. There are plans for bringing those two buildings together over the next year or so, preserving the same external façade, the same architecture. It will look, to an outsider as though it is one building, but it is two.

Miss AITKEN: Will the office of the high commissioner still be there?

Mr. ROBERTSON: It will be in Canada House, and the office of External Affairs in London will be in Canada House. Also, I think there will probably be room for some people from other departments. But the big, new premises are going to make it possible to bring together in one building the London offices of six or seven departments of government which have been scattered in leased premises all over the west end of London.

Miss AITKEN: What are you going to call the house on Grosvenor Square?

Mr. ROBERTSON: I do not know; I have not had an official call from the high commissioner. But Canada House is at Trafalgar Square.

Mr. CRESTOHL: Is there a Canada House in New York? That was mentioned some years ago, in connection with our services established in the new building on Fifth Avenue. It was going to be—if I may use the term—the main Canada House. How is that situation today?

Mr. M. GRANT (*Head, Supplies and Properties Division, Department of External Affairs*): Yes, we have two floors in Canada House, New York, which house the offices of the consul general. This accommodation has proved entirely satisfactory. It is a good location and we are satisfied with the space we have there.

Mr. CRESTOHL: The building is called Canada House?

Mr. GRANT: That is correct.

Mr. McCLEAVE: With regard to those offices in Canada House which you referred to as the offices of the consul general, are there not also the national film board and the Canadian government travel bureau in there?

Mr. GRANT: That is correct; the two floors accommodate the New York representatives of several departments.

Mr. MARTIN (*Essex East*): Australia has an office in there, has it not?

Mr. GRANT: I am not certain.

Mr. ROBERTSON: I think it is the state of New South Wales.

Mr. GRANT: I think there is an Australian office there.

Mr. MARTIN (*Essex East*): They advertise it too; it is very confusing. That is not your responsibility, because it is a private enterprise.

The VICE CHAIRMAN: Are there any further questions? If not, will the item carry?

Item 76 agreed to.

Mr. GILL: If I may make one addendum, Mr. Chairman. Mr. Jones asked for the post differential for Lagos. Post differentials range from 10 per cent to 25 per cent of salary, according to the post. I think I gave you the impression that it was 25 per cent for Lagos: it is 20 per cent.

Mr. JONES: That does not apply to officers; just administration?

Mr. GILL: It does not apply to Foreign Service Officers; it applies to External Affairs Officers and administrative staff.

Item 77 Representation Abroad—Construction, acquisition or improvement of buildings, works, land, equipment and furnishings, and to the extent that blocked funds are available for these expenditures, to provide for payment from these foreign currencies owned by Canada and provided only for governmental or other limited purposes\$ 1,037,000

The VICE CHAIRMAN: Shall item 77 carry?

Mr. HERRIDGE: Mr. Chairman, would the witness mind explaining this sub-item (7): it is sub-item (13) of item 77, sub-item (7), initial costs of a staff block in the chancery compound in Tokyo, Japan.

Why is the word "compound" used there? It is rather intriguing to me: I thought those were done away with.

Mr. ROBERTSON: Our embassy in Tokyo has the ambassador's residence, the chancery and, I think, a couple of houses in it. They are inside a common wall and share a garden.

Mr. HERRIDGE: Is there any particular reason why there is a wall around?

Mr. ROBERTSON: I think that perhaps it is partly the pattern of building in some eastern countries.

Mr. HERRIDGE: It just follows the custom?

Mr. ROBERTSON: Yes, local custom.

The VICE CHAIRMAN: Are there any further questions on item 77?

Mr. RICHARD (*Ottawa East*): This question is asked every year: In the construction or furnishing of our buildings abroad, is Canadian design being followed, or are Canadian furnishings being purchased in Canada for these buildings, in order to make our legations or chancery buildings look Canadian?

This question has been brought up from year to year, and I do not know what progress has been made, because I have not had the privilege of some other members, to be called upon to travel abroad: I have not been here long enough.

Mr. MONTGOMERY: Have we a Canadian type of building?

Mr. RICHARD (*Ottawa East*): These are old buildings, but we are developing some Canadian-type buildings. We are developing a Canadian architecture in this country, I hope.

Mr. GRANT: We do use a large quantity of Canadian furniture in our chanceries—that is, the office accommodation in our official residences, and in our staff accommodation abroad. The situation, however, will vary from post to post. I could perhaps quote you an example in Teheran, where we sent an interior decorator at the opening of a commission there. We found that transportation costs of Canadian furniture from Canada and time in transit made the use of Canadian furnishings undesirable. To begin with, to ship furniture from Canada to Teheran, it had to go through the Persian gulf, which meant about eight months in transit and very high costs.

The alternative was to select other furniture at the post. In the case of Teheran, because of the lack of local supplies, we selected furniture from Italy and also Beirut. This enabled us to obtain prompt delivery and we were able to ship some of the furniture in from Beirut by air cargo, thereby getting it there in time for the mission to open and operate.

These are the factors we are faced with in deciding whether we should use local supplies or Canadian furniture; but there is a general policy of buying Canadian furnishings if the conditions permit.

Mr. RICHARD (*Ottawa East*): What about the design of the buildings themselves: has any consideration been given to that, to identifying Canada in the style of the building?

Mr. ROBERTSON: We have been working quite closely with the Department of Public Works and with the Institute of Architects in order to work out plans for new buildings.

Mr. GILL: In the past year or two we have established a committee procedure, which I think goes some way to meeting the conditions that you suggest. There is a Treasury Board advisory committee on accommodation abroad, and the purchase or construction of any building is examined by that committee and recommendations made to Treasury Board.

In the event of construction there is an architectural subcommittee of that committee, which is made up of an architect from the Department of Public Works, and three nominations from the Royal Architectural Institute of Canada. They will advise an architectural firm, that might be used for that purpose.

The first example where I think that system has worked is in Canberra, and the construction of a chancery is under way now: it is in the early stages of development—that is, we will shortly be in a position, I think, to ask for tenders.

Mr. HERRIDGE: In the committee examining defence expenditures some years ago we discovered that there had been a \$200 mirror ordered for the boudoir of the wife of the general in question.

I trust that your department does not go in for similar luxuries?

Mr. GILL: No.

Mr. RICHARD (*Ottawa East*): I have one that cost \$350—and I am very poor!

Mr. CRESTOHL: On the question of consistency of furnishings, and the question Mr. Herridge just raised—we found a rather pointed illustration in Teheran, where we found Canadian-loomed rugs on the floors; and Teheran, or Iran, is a country rugs. I think that was rather inconsistent with the local industry. I am sure the question of economy did not come up there, because I think that for what those rugs cost from Canada you could have probably got better rugs from Teheran, and more style. We discussed this fact and were rather amused by it, that in the office of the ambassador in the chancery there was a Canadian-loomed rug. It seemed a bit out of place there, actually.

Mr. GRANT: That is an interesting point. Actually we are able to purchase our rugs in Canada at very preferred prices. There is also the question, as mentioned earlier, of using Canadian products in our properties abroad. Furthermore, by and large we think it undesirable to use the oriental type of carpet in office accommodation.

All of these factors taken together provide the answer to the point that you have raised.

Mr. McINTOSH: I wonder what the gentleman meant by “very preferred prices”?

Mr. GRANT: Because we have full-time interior decorators, instead of using the facilities of interior decorating firms in Canada; thereby we pay the prices which go with this type of service. Our staffs have established contact with certain manufacturers in Canada, which enable us to derive benefits in price therefrom which would not be available to us otherwise.

Mr. McINTOSH: Is that consistent throughout your purchasing agency?

Mr. GRANT: Not entirely, sir, because there are very wide varieties in the purchases which are necessary, particularly for official residences abroad. Then there is a time factor sometimes, which has to be taken into consideration with a mission being opened fairly quickly, when we have to insure prompt deliveries; and sometimes we are not able to use certain sources because they might not meet our time schedule. But we do take advantage of this price differential whenever we can, and we have had a fair amount of success in this direction.

Item 77 agreed to.

Item 78 Canada's civilian participation as a member of the international commissions for supervision and control in Indo-China including authority, notwithstanding the Civil Service Act, for the appointment and fixing of salaries of commissioners, secretaries and staff by the Governor in council	\$ 255,958
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Item agreed to.

Item 79 Special administrative expenses including payments of remuneration, subject to the approval of the governor in council and notwithstanding the Civil Service Act, in connection with the assignment by the Canadian government of Canadians to the international staff of the North Atlantic Treaty Organization (part recoverable from the North Atlantic Treaty Organization), and authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the North Atlantic Treaty Organization of such expenses	\$ 63,088
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Mr. HERRIDGE: Would you mind explaining this item. It seems ambiguous to me. I refer to item 79, NATO staff assignment.

Mr. ROBERTSON: On the NATO international staff we have our own mission headed by an ambassador with our own Canadian staff. But NATO has its own international staff under the secretary general in Paris; and that staff is

recruited usually on moderately short term from member countries and from the services of member countries. They usually have two or three or four Canadians. Sometimes I think they are from the Department of External Affairs, and sometimes from Finance or from Defence. They are posted there.

When they are posted there, we bring up their salaries to what they would be getting if they had been posted to the Canadian diplomatic mission. That means paying a supplementary overhead cost to equalize it. That, I think, is the item.

Mr. HERRIDGE: What is your particular function as against the function of the ambassador attached to NATO?

Mr. ROBERTSON: It is a little like the difference between the secretariat in New York and the diplomatic mission which is accredited to the United Nations.

NATO itself as an institution has its own staff of secretaries for special meetings. They make studies for the information of the NATO council, and they carry out a good many jobs under the direction of the council, but they do it through the international staff, just as the secretariat of the United Nations does a good deal of it under United Nations direction.

Mr. HERRIDGE: Thank you.

Mr. JONES: Is there any allocation between the countries?

Mr. ROBERTSON: I would think it would be taken into account in the plans, depending on the jobs that need to be filled and the qualifications of the people available. It is not rigid. It is not a quota, but there is an effort to keep it in some kind of balance.

Item 79 agreed to.

Item 80 Official hospitality	\$	40,000
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Mr. JONES: Mr. Chairman, we are getting pretty close to 11 o'clock.

Item agreed to.

Mr. HERRIDGE: On my sheet item 82 follows item 79.

Mr. CRESTOHL: It is on the first sheet.

The VICE CHAIRMAN: I take it that item 80 is agreed to.

Item 81 Relief and repatriation of distressed Canadian citizens abroad and their dependents and for the reimbursement of the United Kingdom for relief expenditures incurred by its diplomatic and consular posts on Canadian account (part recoverable)	\$	15,000
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Item agreed to.

Item 82 Canadian representation at international conferences	\$	295,000
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Mr. RICHARD (*Ottawa East*): This is for conferences. The first one on the law of the sea is in progress now, is it not?

Mr. ROBERTSON: Yes.

Mr. RICHARD (*Ottawa East*): But the other one is not in progress yet? I mean the educational scientific and cultural organization conference?

Mr. ROBERTSON: That is the comprehensive one.

Mr. GILL: That is right. But the conference on the law of the sea is on now.

Mr. RICHARD (*Ottawa East*): Is the other one meeting now?

Mr. ROBERTSON: There are a good many conferences going on. At the moment we have two conferences in Geneva. And there are the disarmament talks.

Mr. RICHARD (*Ottawa East*): I am talking about the educational scientific and cultural organization in UNESCO.

Mr. ROBERTSON: There is a meeting this week of the Canadian commission to UNESCO. It is meeting in British Columbia this week.

Mr. RICHARD (*Ottawa East*): And this vote covers all those activities?

Mr. ROBERTSON: No. This would cover the cost of Canadian participation at the next conference of UNESCO. I think that the local expenses of the conference in British Columbia would probably be carried by the Canada Council. We pay for our own expenses.

Mr. RICHARD (*Ottawa East*): Has the date been set for the Paris conference yet?

Mr. ROBERTSON: It meets in the autumn, usually in November.

Mr. McCLEAVE: I was going to ask the under-secretary this question: at the last session—they are held every two years—the member for Rimouski and myself suggested in an amendment that our work would be much more effective there if we had some form of mission such as we have at the United Nations. Am I right in assuming that the rumour I hear, that such a mission is to be established, is correct?

Mr. ROBERTSON: Its head is Mr. Lionel Roy. Has it been announced yet? He has been Charge d'affaires in Mexico, and he is going to be accredited to UNESCO as the Canadian representative there.

The VICE CHAIRMAN: Does item 82 carry?

Mr. McCLEAVE: May I ask another question? I realize this is not quite germane to this item, but it is in the general field. On how many United Nations bodies are we not represented by a type of mission as we were not represented at UNESCO before this welcome move? Are we represented on ILO and on WHO?

Mr. ROBERTSON: Yes. We have a special mission to the United Nations in Geneva of which Mr. Wershof is the head. It looks after our continuing and permanent liaison with all United Nations activities that are centered in Geneva; that is ILO and WHO.

He is also our representative at the international atomic energy agency at Vienna.

At the FAO which is located in Rome our continuing liaison is handled by our ambassador in Rome.

I think there must be four or five specialized agencies with their headquarters in Geneva. I think that international telecommunications is there, and GATT headquarters are there. Our permanent mission handles our continuing contacts with all these bodies, and they are supplemented from time to time by various representatives direct from Canada.

Mr. McCLEAVE: I wonder if I might ask a similar question of the minister? I take it that I am not precluded from doing so if we should allow this item to pass today?

The VICE-CHAIRMAN: Item 75 remains open, and you will have the privilege of asking him on that item.

Mr. McCLEAVE: I wonder if the under-secretary would be good enough perhaps to prepare a list showing whether there are appointments, or people seconded from our embassies or legations abroad to conduct Canadian liaison with these United Nations bodies?

The VICE-CHAIRMAN: Possibly at our next meeting you might be given such a list, but I think that if we pass the item, there should not be comment on it later.

Mr. MCCLEAVE: I just wanted the information so that we could take it up with the minister.

Item agreed to.

Item 83 Grant to the United Nations Association in Canada\$ 11,000

Mr. JONES: I would like to say that I hope next year it will be possible to increase substantially this grant to the United Nations organization in Canada which has been doing very excellent work. And certainly Mr. Woodside is to be congratulated in the way he has gone about his task. So I hope next year it will be possible to make a substantial increase so that he may more effectively carry out his function.

Mr. CRESTOHL: I was going to mention the same thing, and to add that a couple of years ago I inquired whether the United Nations organization in Canada had requested any increase, when I think it was stated by Mr. Robertson or by someone from the department that the department would give careful consideration to increasing the subsidy to this very worthwhile organization.

Item agreed to.

Item 84 Grant to the Canadian Atlantic Co-ordinating Committee\$ 2,500

Mr. HERRIDGE: I suggest we adjourn, Mr. Chairman.

The VICE-CHAIRMAN: Is that a contentious item, item 84?

Mr. HERRIDGE: No, not item 84.

Item agreed to.

Item 85 To assist in defraying the costs of the Commonwealth and Empire Law Conference to be held in Canada in 1960\$ 15,600

Item agreed to.

The VICE-CHAIRMAN: This might be a convenient point to adjourn this morning. The time is nearly up. We shall meet on Friday at 9:30, and you will be informed about it by the clerk.

HOUSE OF COMMONS

Third Session—Twenty-fourth Parliament

1960

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

FRIDAY, APRIL 1, 1960

ESTIMATES 1960-61 OF THE DEPARTMENT OF
EXTERNAL AFFAIRS

WITNESSES:

Of the Economic and Technical Assistance Branch, Department of Trade and Commerce: Mr. O. E. Ault, Director; and of the Department of External Affairs: Messrs. D. R. Taylor, Head, Economic II Division; and H. B. Stewart, Head, Finance Division.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1960

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.,

Vice-Chairman: F. E. Lennard, Esq.,
and Messrs.

Aitken (Miss),
Allard,
Batten,
Cardin,
Cathers,
Crestohl,
Eudes,
Fairfield,
Fleming (*Okanagan-
Revelstoke*),
Garland,
Hellyer,
Herridge,

Jones,
Kucherepa,
Lafrenière,
MacLellan,
Macquarrie,
Mandziuk,
Martin
(*Essex East*),
McCleave,
McGee,
McIntosh,
Montgomery,
Nesbitt,

Nugent,
Pearson,
Pratt,
Regier,
Richard
(*Ottawa East*),
Slogan,
Smith
(*Calgary South*),
Valade,
Vivian—35.

Eric H. Jones,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

FRIDAY, April 1, 1960.

(12)

The Standing Committee on External Affairs met at 9.30 o'clock a.m. this day, the Vice-Chairman, Mr. F. E. Lennard, presiding.

Members present: Miss Aitken and Messrs. Fairfield, Fleming (*Okanagan-Revelstoke*), Herridge, Jones, Lafrenière, Lennard, MacLellan, Macquarrie, McCleave, McGee, McIntosh, Montgomery, Nesbitt, Nugent, Richard (*Ottawa East*), Slogan, Smith (*Calgary South*), and Vivian. (19)

In attendance: of Economic and Technical Assistance Branch, Department of Trade and Commerce: Messrs. O. E. Ault, Director, F. E. Pratt, Chief, Capital Projects Division; F. J. Lyle, Chief, Program Planning Division; J. H. Marshall, Chief, Finance and Administration Division; J. T. Hobart, Chief, Training Division; and I. A. Hodson, Chief, Experts Division; and *of Department of External Affairs:* Messrs. D. R. Taylor, Head, and G. F. Bruce, Economic Division II; and H. B. Stewart, Head, Finance Division.

The Committee resumed its consideration of the 1960-61 estimates of the Department of External Affairs.

Item 86, Colombo Plan, was called. Mr. Ault made a statement on the part which Canada is playing under the said plan; he was questioned thereon.

Mr. McGee suggested that the Committee meet the students who are attending Carleton University under the Colombo Plan. The Committee agreed that the said suggestion be referred to the Subcommittee on Agenda and Procedure for its consideration and recommendation.

Item 86 was carried.

Item 87, West Indies Assistance Program, was called. Mr. Ault explained the item and was questioned thereon; the said item was carried.

On Item 88, Technical Assistance to Commonwealth countries other than those eligible for Assistance under Colombo Plan or West Indies Assistance Program, was called. Mr. Ault explained the item and was questioned thereon. The said item was carried.

Item 89, Commonwealth Scholarship Plan, was called. Mr. Taylor explained the item and was questioned thereon. The said item was carried.

By agreement, the Committee reverted to and reopened Items 86 and 87. Mr. Ault was further questioned thereon. Items 86 and 87 were again carried.

On Item 90, Contribution to U. N. Special Fund, Mr. Taylor explained the item and was questioned thereon; the said item was carried.

Items 91, Contribution to U. N. Expanded Program for Technical Assistance, and 92, Contribution to Operational Budget of the International Atomic Energy Agency, were severally called and carried.

Item 93, Contribution to the Program of the U. N. High Commissioner for Refugees, was called; it was explained by Mr. Stewart and the said item was carried.

Item 94, Contribution to U. N. Children's Fund, was called; it was explained by Messrs. Stewart and Taylor; the said item was carried.

Item 95, Contribution to the United Nations Relief Works Agency for Palestine Refugees in the Near East, was called and carried.

Items 96, Inter-Governmental Committee European Migration Far Eastern Program, and 97, Contribution towards the Malaria Eradication Program of World Health Organization, were severally called, explained and carried.

At 10.58 o'clock a.m., the Committee adjourned until 9.30 o'clock a.m. on Wednesday, April 6, 1960.

Eric H. Jones,
Clerk of the Committee.

EVIDENCE

FRIDAY, April 1, 1960.
9:30 a.m.

The VICE CHAIRMAN: Miss Aitken and gentlemen, will you come to order. We have a quorum.

We are on item 86, the Colombo plan.

Item 86. Colombo plan\$50,000,000

The VICE CHAIRMAN: It might be well if Dr. Ault would give us a statement at this time on the operations in the past year.

Mr. O. E. AULT, (*Director, Economic and Technical Assistance Branch, Department of Trade and Commerce*): Mr. Chairman, I thought I should begin by making some brief reference to the eleventh meeting of the consultative committee of the Colombo plan, because I think this would provide a proper setting for my report. It would probably also be of help to indicate what progress is being made in Colombo plan activities, not so far as Canada alone is concerned but the other countries as well. Therefore, I shall refer very briefly to the report of the consultative committee.

The eleventh meeting of the Colombo plan consultative committee was held in Jogjakarta, Indonesia, from October 26 to November 11 last year. The Solicitor General, hon. Leon Balcer, Q.C., led a Canadian delegation of seven officials. The eighth annual report of the Colombo plan was prepared at the meeting and has been released.

I would call the attention of the committee to some significant and encouraging trends noted in the eighth annual report, and to some of the important problems which were discussed by ministers and by officials at the conference.

(1) There was evidence of a quickening pace of economic activity in the Colombo plan area during the year 1959.

I do not think we need indicate what the Colombo plan area is, more than to say that it includes Pakistan, India, Burma, Malaya, Singapore, the Indo-China countries and Indonesia.

(2) Agricultural production improved in 1958-59, but better weather was in part the cause of greater crop yields.

(3) Industrial production showed a slight increase in iron, coal and petroleum.

(4) With the rise in export prices of certain commodities produced in the region, and a small increase in the over-all volume of exports, trade deficits in some countries of the area were reduced.

(5) Consequent upon a gradual economic upswing in the major industrial countries of the world, and an expansion of world trade, an improvement in the general economic and financial situation of the area was indicated in 1959.

(6) Most countries reported evidence of improved political stability.

(7) The large increase in population is one of the most pressing problems in many countries of the recipient area. Of the many problems created by large populations, two are critical. One is the need to produce or import the increased supply of food necessary to prevent hunger and starvation. The

other is to find employment for the masses of people, mostly unskilled, who are in cities or who cannot be supported by the subsistence farming economies.

(8) There is a growing need for capital to maintain and accelerate the pace of development in these countries. Government to government arrangements will not meet the need for long-term capital. Much private capital must be attracted to bridge the gap.

(9) Capital investment cannot be utilized effectively unless skilled manpower is available. Technical assistance is still urgently needed to ensure that human resources are fully developed.

(10) Another major economic problem is the dependence of most underdeveloped countries on a narrow range of export commodities. They are therefore vulnerable to fluctuating world prices for primary products and raw materials.

(11) Much of the capital equipment and some of the raw materials for new industries and new public utilities have to be imported, as well as substantial quantities of foodstuffs. Capital aid provides a partial answer to the problem.

(12) Satisfactory increases in agricultural production can only be brought about by improved facilities for irrigation and drainage, more advanced methods of farming, greater availability of fertilizers and much research. Considerable Colombo plan aid is directed towards the solution of these problems of food production.

The closing sentence of chapter II of the report for 1959 sums up the purpose and the challenge of the Colombo plan: "The great task ahead is to strive for substantial economic progress within the framework of democratic institutions, so that all member countries may achieve higher standards of living in an atmosphere of peace and freedom."

During the year there were two other conferences. One was at Cambridge in England, which was called by the Institute of Public Administration to study economic development in commonwealth underdeveloped areas. The third conference was the commonwealth education conference held at Oxford in July. There have been published reports of that conference also.

I shall turn briefly to Canadian participation in the Colombo program. In the minutes of proceedings and evidence No. 4 of Friday, March 11, there are five appendices and in these appendices are tables which indicate the amount of funds spent by Canada under the Colombo plan and the various aid programs. There is other statistical information.

I shall make a brief reference to capital assistance. Of the new Canadian projects, perhaps the Mekong river aerial survey has been the most unusual. Initial impetus for this scheme was provided by the United Nations which, working through the economic commission for Asia and the Far East brought the riparian countries together in a joint executive body. It has progressed without great difficulty. Although we expected it would be completed by June this year, because of technical difficulty it will not quite make it.

Several major Canadian capital projects will be brought to completion this year. There is the Warsak hydro-electric project in northwestern Pakistan. This is the engineers drawing of the Warsak project as it will look when completed, this year. There is also the Canada-India reactor and the Kundah hydro-electric project in India which will be completed this year.

Of these, special mention might be made of the Warsak project. The Canadian work force is gradually withdrawing as the dam is nearing completion and the penstocks, turbines and generators are being installed. This project will be completed by early fall. Four Canadian engineers will remain with the plant for a year or more to advise local operating staff on operation

and maintenance. All Canadian construction equipment used on the job will be repaired where necessary and handed over with spare parts to the Pakistan government. An arrangement has been made to keep this equipment under the direction and care of an equipment pool. All buildings at an appropriate time will be released to the Pakistan government. Appropriate ceremonies for the official opening of the plant will be arranged to take place in September or October.

A third project to be completed this year is the Kundah hydro-electric project near Madras in India. Costing \$23.5 million and generating 180,000 kilowatts of electricity, it was designed by Canadian engineers and constructed by an Indian company, with all major equipment supplied by Canada.

The Canada-India reactor near Bombay will also come into operation this year. It will be one of the most advanced atomic power research units in the world.

At the grass roots level, a very large and effective project is taking place in Ceylon, with Canadian assistance. The Gal Oya land development scheme, as it is known, has had financial support from several countries, but the hydro plant, the transmission lines and a large agricultural center and workshop are Canadian. Many acres of farm land are being recovered from the jungle, and new villages are being built to relieve the rural overcrowding that obstructs development.

Reference is made in the report to commodities, and especially to shipments of non-ferrous metals and fertilizers. Large quantities of commodities have been requested by India especially. This was explained by the shortage of dollars to buy these commodities in order to keep industries going, and because of the lack of local funds to undertake further projects under the first five year plan. As India's third five year plan commences next year, it is expected that emphasis will shift from commodities to projects. Already we are studying two or three sites for hydro projects in India. A company of Canadian engineers brought us a report only yesterday.

Three Otter aircraft have been shipped to Indonesia, where lack of adequate communications is a serious problem.

The aerial survey of a large part of Ceylon is nearing completion. This survey by Canadians has been most useful, both in executing the Gal Oya development scheme and in planning effective use of resources in other areas. Recently an officer of the company conducting this survey told us of the reliance of the Ceylon government on the survey reports and the use of these in obtaining loans at the international bank.

In Burma, where \$500,000 worth of flour has been shipped, there is under consideration the construction of a bridge over the Rangoon river. A further \$350,000 worth of flour was allocated to Burma in the current fiscal year.

Malaya has asked us to assist with many small projects. We have an engineer there now studying possible sites for a hydro project. The fisheries industry has developed very slowly, in spite of a shortage of food. Canadian experts have studied better methods of storing and marketing fish that are caught off the east coast, and have developed a plan to build several small refrigerated storage units, under cooperative control. Trucks would also be supplied to transport fish to market on the west coast.

Now, just a word about counterpart funds. The report to which I referred indicates that substantial amounts of counterpart funds are generated by the sale of Canadian commodities supplied under the Colombo plan. Counterpart funds are spent by mutual agreement on the local cost of high priority projects and thereby contribute to economic development in the recipient country. The amounts available at the end of the year are approximately \$43 million in rupees in India, \$15.9 million in rupees in Pakistan, and \$2 million in rupees in Ceylon. These amounts have accumulated because of sharply increased requests for aid in the form of commodities already mentioned.

Negotiations are under way to apply these accumulated counterpart funds to existing projects in which Canada is already participating, and to other undertakings.

The technical assistance program is conducted in two areas. One is the sending of experts from Canada to underdeveloped countries. An agricultural expert working at a fundamental education centre has assisted with village development in Thailand. Two French-speaking professors from Canada are teaching in the university of Dalat in south Vietnam. Four Canadian teachers, including two teacher trainers, are assisting with development of education in Sarawak. A Canadian expert has helped to train villagers in India to create and expand small industries.

Several important trends are indicated in this work. One is an increased demand for experts in the field of education, arising from the greater emphasis on education in under-developed countries, and also from the discussion on education at Oxford in July, 1959.

Another trend is a relative increase in the cost of sending experts abroad, resulting from a tendency towards requests for advice at an increasingly senior level. Experts are sent only on request, with the object of helping to improve knowledge and skills from our experience in Canada.

The other side of technical assistance is called "training," whereby a number of scholars and fellows from the various countries are brought to Canada for education and for training.

There was a noticeable upswing in 1959 in the number of trainees, scholars, and fellows undertaking programs in Canada under Canadian and international technical assistance programs.

A total of 581 trainees from 61 countries were admitted in 1959 as compared to the previous record of 394 trainees in 1958. This number includes those sponsored in Canada by the United Nations and its agencies. They are all administered by our branch.

The Colombo plan alone accounted for 106 places of this increase, rising to 288 trainees compared with 182 in 1958.

The number of trainees visiting Canada each year has more than tripled during the last five years, and it is noteworthy that this has been accomplished with a comparatively minor increase in administrative costs.

Several special programs have been set up, and we have had something to do with their organization. If I do not go into detail at this time and merely mention them, I hope that I do not underrate them.

At the university of British Columbia there is now a course offered by the university which is called village planning and development. This is a continuing course and officers from various countries are brought here for training.

At Carleton university we have a course in public administration with 27 officers from nine Colombo plan countries attending, including Ghana and the West Indies. This is the first year we have run this course and it has been quite successful.

These young officers will go back to the civil service of the countries to which they belong. They will know more about Canadian methods of administration; they will know about the principles of administration, but they will have to adapt what they have learned to conditions in their own countries.

I should mention also a nursing course at the Institut Marguerite d'Youville, which has been established for nurses from French speaking Indo Chinese countries. There has been a continuous number of nurses coming here for training, who in turn go back to their own countries to train nurses there.

Besides these more academic activities there are a number of officers in the field of engineering, construction, electricity, government, business, finance,

and agriculture who come each year for short periods, and who are attached to corresponding officers and activities in this country to learn, and who then go back and apply their learning.

In connection with the projects which are under construction, there is a continuous training program going on. At Warsak there has been training of technicians, maintenance men, motor mechanics and construction people. This we think has been very, very useful in that area.

At Kunda there has also been a large training program carried on, and there have been a number of engineers and physicists who will work on the Canada-India reactor, who have come to Canada for training. We have had mining engineers, agricultural officials, and others.

Since the institution of the Colombo plan training program, we have enjoyed the full co-operation of the organization called Friendly Relations with Overseas Students, and I wish to pay very special tribute to these people.

I do this because they help us to make the new students welcome when they arrive in Canada. If the students have difficulties, they are brought to their attention.

Mr. LAFRENIÈRE: Mr. Chairman, do you not think it would be a good idea if those students should have an opportunity to meet this committee on external affairs?

Mr. MCGEE: And the students at Carleton, perhaps as well. You say there are 27 of them there?

Dr. AULT: Yes, there are 27 there.

Mr. JONES: Well, as I understand it, the Friendly Relations with Overseas Students is a national organization with branches in most of our Canadian universities. Their headquarters is in Toronto, is it not?

Dr. AULT: That is right, yes.

Mr. JONES: Has there been any liaison set up with the branch, or with headquarters in Toronto?

Dr. AULT: Yes.

Mr. JONES: To assist them in their activities?

Dr. AULT: That is right; there has been.

Mr. MCGEE: Do you think we might not take under consideration the possibility of arranging a meeting with this group at Carleton?

The VICE-CHAIRMAN: At Carleton university?

Mr. MCGEE: No, here.

The VICE-CHAIRMAN: We would have to find a suitable room. You could not accommodate them in this committee room.

Mr. HERRIDGE: I suggest that questions of that sort be left for the consideration of the steering committee. We might find that to undertake something of that sort would get us a bit beyond our scope.

Mr. JONES: I think that is good suggestion.

The VICE-CHAIRMAN: Yes, make a note of that, Mr. Clerk.

Mr. NESBITT: If members of the committee express an interest in this matter, it should be possible to make arrangements at some special time for use of one of the larger committee rooms.

The VICE-CHAIRMAN: Yes, we will take it up in the steering committee. Are there any questions?

Mr. HERRIDGE: I have been very interested in the report on the Colombo plan, as have all the members here. I have read quite a lot on this question. I have read in several places from quite good and reliable sources that owing

to the, shall I say rather prolific increase in population, the good work done under the Colombo plan is continually neutralized, and we are never able to catch up with the problem. It is felt that while developments in agriculture are excellent, nevertheless because of this increase in population there is still an equal amount, or even a greater amount of lack of food and that sort of thing. I wonder if Dr. Ault would mind commenting on that situation, and state whether he thinks there is any foundation for it.

The VICE-CHAIRMAN: There is nothing much you can do about it, is there?

Mr. JONES: Has the problem of population explosion ever engaged the attention of those who have been interested in international affairs in the last few years?

Of course it had been evident for some time before that; but I was wondering if Dr. Ault might advise us if there is a study presently being carried on in connection with these projects by the United Nations or by the Colombo plan organization?

Dr. AULT: Yes, there are two or three studies now being carried on. It is very difficult to do more than generalize, but there are so many factors that come into these studies that it is very difficult to be conclusive about it. However, I do know of two studies that are now going on. They will be available, probably within the next year.

One is bound to have an impression in these matters, and it is that we are keeping up with the increase in population. I feel that we are keeping up with it.

Mr. HERRIDGE: You think we are?

Dr. AULT: Yes, we are.

Mr. MCINTOSH: I notice that out of this estimate of \$50 million, only \$35 million was spent. I wondered what the other \$15 million was for and why it had not been expended.

Dr. AULT: We were speaking about the vote for 1959, which was \$35 million.

Mr. HERRIDGE: I would like to get this clear from the witness, because I am very interested. I have had a lot of correspondence from interested people. I understood this clearly from the Canadian point of view, that what is known as a population explosion is to a great extent neutralizing the work of the Colombo plan and of like agencies.

Dr. AULT: It is certainly not helping it, but I would not go so far as to say it is "neutralizing" it.

Mr. MCGEE: Mr. Chairman, earlier in the meetings of this committee I made a request to have some graphic illustration of the aid given under the Colombo plan and to other countries. I am wondering if anything has been prepared to date which might be of value to the committee?

Dr. AULT: I must apologize for this, Mr. Chairman. What appears in the minutes was brought to my attention only very recently, and I have taken some steps to prepare the map. As you indicate, Mr. McGee, it is not ready, but probably before the end of the meetings it would be possible to see it.

Could I have any detail that you would like to have indicated on the map?

Mr. MCGEE: At the meeting at which this was discussed I was under the impression that some official, at that time, had a project under process; and details of some of the ideas I and some of the other members had were given to him at that time.

Dr. AULT: We shall follow it up, then.

Mr. HERRIDGE: Mr. Chairman, at the last session the committee had some discussion with respect to the allowances paid to students. At that time we

were furnished with some figures, and were told that some students expected to be maintained in Canada at the level and with the status they enjoyed in their own countries. Can the witness give us any information as to what is being done to improve the situation with respect to allowances, on a satisfactory basis?

Dr. AULT: These allowances, of course, are determined by our treasury people. There has been no change in the allowances: there might probably be some greater degree of flexibility than there was. We have a number of officers at fairly senior levels who come to Canada to take a post-graduate course, but under our regulations we must regard them as students and assist them at student rates. Therefore, there is some awkwardness in recognizing their status and, at the same time, complying with our regulations; and that is where the difficulty does come in. There is a little bit of flexibility, but not a great deal.

The question was also raised at the committee last year as to whether students were being paid more in their stipend than the ordinary Canadian student had to spend, but we think that is not so. Normally now a male student would receive \$150 a month and a female student \$200 a month.

Mr. HERRIDGE: In addition to that, what other facilities would be provided?

Dr. AULT: Only the travel and the tuition.

Mr. HERRIDGE: The tuition is paid by the department?

Dr. AULT: Tuition, books, clothing allowance and travel; and a stipend of \$150 a month for accommodation and board.

Mr. HERRIDGE: I think that is very reasonable.

Mr. FLEMING (*Okanagan-Revelstoke*): Mr. Chairman, when some of the countries under the Colombo plan have requested technical officers to assist them in some of these programs, has it been the experience that on occasions they have set qualifications for the experts they want so high it would have been impossible for us to fill the request?

Dr. AULT: In many cases they do set the qualifications at a more expertize level than we think is necessary, knowing the conditions in the particular country. That is just a slightly different aspect of the same thing. I would not say we could not have met the request because we do not have the expertize, but we might not have it in a particular field—for instance, tropical medicine of a very special kind. Normally, I think we could be able to fill it.

I think our difficulty is, normally, that they ask for a very high-level expert, and he goes to almost elementary conditions which is frustrating. So we do have to look at each of these and probably advise the government they should not ask for a person at a very high level but at an intermediate level.

Mr. FLEMING (*Okanagan-Revelstoke*): By consultation with them, you are able to indicate to them what a more satisfactory requirement for their own particular purpose is, rather than what they may believe it to be?

Dr. AULT: I would say it would require great caution, because they are expected to know what they need and what they want. If negotiations are carried out—and they are—they are carried out with understanding.

Mr. MCGEE: Has there been any attempt made to recruit civil servants in this country, who have reached retirement age, to participate to any degree in this regard?

Dr. AULT: Yes, we have two or three retired civil servants who are engaged now. I do not think there has been an organized effort to do it, but as the requests come in we do look among those who have retired.

Mr. MCGEE: That seems a partial solution to the problem that has been mentioned.

Mr. FLEMING (*Okanagan-Revelstoke*): Do you also draw on the experience of men retiring from business and industry who have qualifications which may be very useful, or who may have dropped out of the actual business or industrial field, but who might still serve in some useful capacity under the Colombo plan? Has anything on that basis been developed?

Dr. AULT: We have recently had inquiries from men retiring from industry and business, and their names are on our list. If something came along in which we could see them, we certainly would do so. Again, we have not made any organized effort to recruit them.

Mr. MCGEE: Do you think it might be worth while communicating with the Canadian chamber of commerce in this respect?

Dr. AULT: Yes.

Mr. NESBITT: It has been suggested to me that a number of organizations in Canada might be very interested in lending assistance, on a sharing basis, with the government, to assist communications in a number of these countries where literacy is low and it is very difficult to disseminate information with regard to improvements in agriculture and the like.

It has been suggested some kind of program might be arranged to provide refurbished radio receiving sets in a lot of these villages and countries. We know how education has been changed to a degree, in this country, by means of radio communication and the like. It might be much more effective in countries where literacy is low, where the written word cannot be understood by many but the spoken word might be of help to agricultural programs in this way, if there were receiving sets in a lot of these small villages, and so on.

Has the matter been brought up by the organization?

Dr. AULT: I do not think it has in that form, although it is a very interesting suggestion.

We have had officers from the broadcasting corporation go out as experts to these countries, to try to develop the transmission side of broadcasting, both from the programing and engineering point of view. We have had experts in the West Indies and in Ghana.

There have been no requests for receiver sets. Here we are in a bit of a dilemma, even though we might think the idea is a very good one.

Mr. NESBITT: As to how to run them, I suppose?

Dr. AULT: That is one; and the other is the delicacy of presenting something to these countries for which they have not asked. I think there are ways of meeting it; but it is, as you say, a matter, in part, of running them. I have seen these sets at work in primitive villages, and I think it is an excellent method of communication.

Mr. VIVIAN: Mr. Chairman, we have the amount of Canada's contribution for past years and this year to the Colombo plan. Is there some figure showing the donations from countries other than Canada? I realize the Colombo plan is shared, but I am thinking of those nations that can be classed as donors.

Dr. AULT: I have the information that is contained in this Colombo plan report. Each country goes to the consultative committee and reports on what it has contributed. The recipient countries report on the economic state in their own country. I have these figures from the report which tells the amounts of money contributed, or goods and services, up to the end of 1959. These are rough figures, if you would like to take them. This is from the beginning of the Colombo plan up until this meeting. Australia, 30.7 million pounds—

Mr. JONES: That will be in Australian pounds?

Dr. AULT: Australia 30.7 million pounds; Canada \$231.7 million—and, of course, we add \$50 million this year to it.

Mr. VIVIAN: Is there a converted figure for the pounds from Australia?

Dr. AULT: I am sorry, I did not do that. It is roughly \$90 million.

Japan, roughly 600 million yen—and I take that to be—I had better not give my mathematics on that.

Mr. MCGEE: Could somebody work that out?

Mr. VIVIAN: To save the time of committee, could we have a table on this in Canadian dollars?

Dr. AULT: Yes.

The VICE CHAIRMAN: That can be done.

Mr. JONES: Mr. Chairman, Dr. Ault was speaking of the India-Canada atomic reactor and its completion this year, I believe. He spoke in terms of high praise for that project. I wonder if he would care to elaborate a little on that? The reason I mention it is that I understand the Indian interest in this type of project has been spread over several nations and they have received assistance from the United Kingdom and, more latterly, from the Soviet Union in regard to the establishment of various types of reactor.

The particular reason for wanting an elaboration on this subject at this time is that all members received in their mail an editorial reprint from a magazine which is called *Modern Power and Engineering*, which Dr. Ault may have seen.

Dr. AULT: Yes.

Mr. JONES: It makes what I think is a completely unwarranted attack on the Canadian project.

The VICE CHAIRMAN: Perhaps Mr. Taylor could answer that—or Dr. Ault?

Dr. AULT: As to the uses of this plant I should prefer to leave the technical side to the atomic energy people; but as to the construction of the plant, there were difficulties in the early days of construction, especially when construction companies have to function so far from home and under entirely different conditions. But the article is, in our minds, quite unwarranted. The facts are that the plant is nearing completion; the Indian government is extremely happy with the progress; our own atomic energy people are very happy with the progress and I would think that it will be definitely in operation for research in June of this year. I saw it myself in December and I thought it was progressing very well.

I brought some pictures which might help to clear it up.

Mr. JONES: Who is "*Modern Power Engineering*"—have you any idea?

Dr. AULT: A Hunter-Maclean publication but I do not know that we should blame them for the article. I know something of the background of the article, and we are not very happy with it.

The VICE CHAIRMAN: Any other questions?

Mr. MCINTOSH: I was interested in the statement that you knew something of the background of the article. Just what do you mean by that?

Dr. AULT: Well, we have information that a rather disgruntled former employee has made his opinions known and, while part of them may have been based on fact—I have indicated some difficulties in getting started—it seems to us they are completely cleared away now.

Mr. JONES: Is that a former employee of Chalk River?

Dr. AULT: No.

Mr. JONES: When was the project started, Dr. Ault?

Dr. AULT: Four years ago.

Mr. HERRIDGE: Mr. Chairman, I would like to ask Dr. Ault this question: do Canadians in charge of the Colombo plan projects, such as you have described this morning, ever exchange visits with the officials of other countries who are doing similar projects in the country themselves—they may not be Colombo projects, but similar projects, in order to exchange ideas and information in that way?

Dr. AULT: Here again I do not think it has been on an organized basis. Certainly there are many engineers now in the United States, and associated with the World Bank, who know the conditions of construction and development in these countries. They do collaborate.

The VICE CHAIRMAN: Any further questions?

Shall the item carry?

Item 86 agreed to.

Item 87. West Indies assistance program \$ 4,510,000

Dr. AULT: I have a very brief statement about the West Indies program.

The annual report shows that contracts were let for two ships for the West Indies in 1959, that 23 West Indians came to Canada for training and that eight Canadian experts were sent on request to the West Indies.

Funds amounting to \$10 million are being provided for the West Indies program over a period of five years ending in 1963. In addition to the ships a number of other high priority development projects will be financed over the remaining three years. Negotiation and study of these projects is now nearly complete, and the remainder of the program should be under way very soon. The development of this program has been assisted greatly by Canadian experts who have gone to the West Indies to study the problems of developing ports and harbours, and broadcasting.

On the two ships I would say that the contract is technically ready; the schedule of construction is complete. I visited the Canadian Vickers yard where one is to be built and they assured me that they are ready for keel laying in June and that the ship that they build will be ready to put into the water in November of this year. They will fit it out in the basin, and then it will be ready and equipped for sending down to the West Indies in May of next year.

The other company, I understand, will follow about the same schedule.

Mr. RICHARD (*Ottawa East*): Who is the other company?

Dr. AULT: The Port Weller Drydock Company.

Mr. MCGEE: Mr. Chairman, you were a little too efficient for me. I had a final question on the Colombo plan following a question I asked at an earlier meeting, concerning the examination of the funds and projects and expenditures, to determine that they were being well spent. The minister, as I recall it, at the time indicated that there were inspection teams set up that were following up on these expenditures, in the nature of a public accounts committee here. I was wondering if perhaps Dr. Ault could give us any indication of the extent of this re-examination group, and if any significant areas of activity not consistent with the program have been discovered?

Dr. AULT: I am not sure of the minister's reference, so I should not comment on that.

Mr. MCGEE: Neither can I, except I brought it up earlier, and he made a general comment about that—that such inspection teams did exist.

The VICE CHAIRMAN: Mr. McGee, why not leave that until the minister is back some time later in the session?

Mr. MCGEE: Well, I let the question go before.

The VICE CHAIRMAN: Well, Dr. Ault cannot answer for the minister.

Mr. MCGEE: Could someone not look up what the minister did say, and show it to him?

The VICE CHAIRMAN: If you wish to delay the proceedings this morning, they could, yes.

Dr. AULT: If I may say, on professional and technical matters our agents are Defence Construction Limited. We rely heavily upon them for professional know-how and for the efficiency of what is constructed. We do, I think, make quite sure that what is constructed in these countries operates and is put to use. We do follow it up in that way.

Mr. FAIRFIELD: Getting back to these ships, they are being constructed for inter-island trade. They are not for trade in so far as the West Indies and the rest of the world is concerned?

Dr. AULT: That is right, yes.

Mr. FAIRFIELD: Yet in the report, here, it states that Canadian specialists are making a survey of harbour facilities. Are there harbours at present, other than Kingston, which are able to take these ships in the West Indies?

Dr. AULT: Yes, Kingston and Port of Spain. Barbados is building a new harbour. We have looked at harbour developments in St. Vincent and Antigua. In most other places these ships would not go alongside the quay or dock.

Mr. FAIRFIELD: They would have to use lighters in that case?

Dr. AULT: There is lighter service now in operation in these small islands.

The VICE CHAIRMAN: Any further questions?

Item agreed to.

Item 88. Technical Assistance to Commonwealth Countries and Territories
other than those eligible for assistance under the Colombo Plan or West
Indies Assistance Program \$ 500,000

Mr. HERRIDGE: Would the witness mind explaining the explanation by the chairman, "other than those"?

Dr. AULT: Well, we referred to this as the Commonwealth Technical Assistance Program, but literally this is not too satisfactory as a title. The Canadian government is, as you know, engaged in three programs—the Colombo plan which I described; the West Indies program, which is provided for the islands that comprise the federation of the West Indies; and then a year ago, there was a vote of half a million dollars for technical assistance for the commonwealth countries of Africa. Any other commonwealth countries that do not come under the Colombo aid program or the West Indies program would come under this. The vote would be for countries of Africa in the commonwealth, and British Guiana and British Honduras, who are not in the federation and would come under this plan.

Mr. HERRIDGE: Thank you.

Dr. AULT: It is a half million dollar vote. The area has been extended from Ghana to Nigeria, the new emergent countries and to the territories of Africa. We have had a number of requests in, especially for education, and if we meet all these requests we shall be very short of money.

Mr. VIVIAN: Would Dr. Ault be good enough to tell us what he has been spending on this vote in the last year?

Dr. AULT: The amount that has been spent is indicated here. It is small. I would estimate \$240,000 has been spent.

Mr. VIVIAN: Mr. Chairman, is it possible to have a list of items with the amounts expended in 1959 and 1960?

The VICE-CHAIRMAN: Could that be arranged?

Dr. AULT: This is, the amount to be spent?

Mr. VIVIAN: The expenditures in 1959 and 1960, the areas in which they originated, what was undertaken and what was spent on them.

Dr. AULT: That is, up to the end of December, 1959?

Mr. VIVIAN: Well, whatever information you have. I do not want to take the time of the committee now. I think it could be tabled.

Dr. AULT: I think they are indicated in this table, Mr. Chairman. We shall find the amount and report it. It is table H.

Mr. VIVIAN: Of what publication?

The VICE-CHAIRMAN: It already has been tabled.

Dr. AULT: The minutes of March 11. The West Indies is shown at page 122 and the Canada-West Indies program, at 121. Table "H" is Africa.

Mr. FAIRFIELD: You have said, and the Department has said frequently, that they not only want to give economic aid to these under-developed countries but are trying to encourage private industry to set up programs in these countries. In that event do you aid the industries in paying for training of technicians in these projects?

Dr. AULT: We can, if it is requested by the country concerned.

Mr. FAIRFIELD: By the government concerned?

Dr. AULT: Yes.

The VICE-CHAIRMAN: Any other questions?

Mr. MCGEE: Where are the trainees being trained in Canada from the West Indies? You mentioned there were 12, I think.

Dr. AULT: I have not the list here. But this is indicated,—if we can find it in this mass of statistics.

The VICE-CHAIRMAN: It is in the proceedings of Friday, March 11th.

Dr. AULT: Yes.

The VICE-CHAIRMAN: Any other questions?

Item 88 agreed to.

Item 89. Commonwealth Scholarship Plan \$ 500,000

Mr. HERRIDGE: Mr. Chairman, I am one who is very interested in this scheme, as I think it is an excellent one and I hope it grows. I read with interest the debates on the question in the British house. In Great Britain they went at this by legislation and formed a commission. Our government has not seen fit to do this although the Prime Minister said they would consider it from the experience. I believe that while the sum is relatively small at the present time,—half a million dollars,—this is not an item that should be buried in the estimates and the activities carried on without having more said. I think this work could be utilized to develop a large-scale consciousness of the value of the commonwealth in the world today, in young Canadians particularly. I say this because I have been rather disturbed at times, in meeting young people, to find their lack of knowledge as to the value of the commonwealth. I am of the opinion the department could well afford to supply universities and schools and women's organizations and other appropriate groups in the Canadian community with information and with publicity concerning this program. I think it could be made to grip the imagination of a sufficient number of people that the value received in getting an understanding of what the commonwealth means in the world today would prove that, in addition to the education of the young men concerned, it is a mighty sound investment.

I think the department should do what it can to secure the cooperation of appropriate organizations and groups across Canada in this work. There are a number of women's organizations, and men's organizations who I am

sure would be willing to cooperate,—because this work, I think, lays foundation to build an understanding of the value of the commonwealth in the very difficult world in which we live. It is very much required. I would like the witness' comments on my suggestions.

Mr. D. R. TAYLOR (*Head, Economic Division II, Department of External Affairs*): Mr. Chairman, if I can just make one or two comments on the remarks of Mr. Herridge. In the first place I think, Mr. Herridge, that in formulating the commonwealth scholarship scheme, the ideas you have just expressed have played a great part in it. I think that the people who were responsible for thinking of the commonwealth scholarship scheme were very much aware of its potential role in cementing further the ties that bind the commonwealth together.

With respect to your second suggestion on publicity, my opinion, as an official, is that it is a very good one and certainly, if our minister would agree, we will certainly see what we can do in that respect.

If I may I would like to say one further word relating to a question which was raised earlier in the proceedings of this committee, about information. In our department's Information Division we now have an extra officer, whose work is being devoted entirely to information on our aid programs. I would expect that, because of this, we will be able to make more information available to the public in general.

Mr. HERRIDGE: Thank you, I am very glad to hear that.

Mr. JONES: That was suggested by this committee last year.

Mr. NESBITT: Just a brief question, Mr. Chairman. There have been certain groups in Canada—this is indirectly related to the commonwealth question—who have evinced an interest in providing scholarships for students in other countries of the commonwealth on a private basis, organizations such as the I.O.D.E., service clubs and the like. Would it be possible to make an arrangement such as this with them regarding our commonwealth scholarship scheme?

Mr. TAYLOR: If I may answer Mr. Nesbitt's question, Mr. Chairman, I say yes. It would certainly be possible at a later stage. At the moment, however, the administration of the commonwealth scholarship scheme itself is a fairly complex matter. I think from the point of view of administration we would be quite happy to get it going well, before we tried to coordinate it with other programs. I think the suggestion is certainly a good one.

Mr. NESBITT: There would be no objection to these other groups proceeding on their own?

Mr. TAYLOR: Absolutely none.

Mr. HERRIDGE: One more suggestion, Mr. Chairman, because I am very keen on this. Would it be possible for the information division to supply members with a similar type of information which they send out to organizations? Do members of parliament give a report from parliament hill on this? It is a pretty opportune time, I think, to inform the public of what is being done.

Dr. AULT: On the whole program?

Mr. HERRIDGE: Yes, information concerning the whole assistance program, including the commonwealth scholarship plan. I do not mean anything fancy, but any material that is sent to any other organization.

Mr. TAYLOR: Yes, I see absolutely no objection to that. In speaking for the information division, which is not my field or responsibility, I believe that I am right in saying that it is continually sending out certain types of informa-

tion on these matters. I am sure that the Information Division would be delighted to send such material to each member of the committee.

The VICE CHAIRMAN: Do you have a question, Mr. McGee?

Mr. MCGEE: Yes, I have found this.

The VICE CHAIRMAN: I wonder if we could take it after we are through with this item.

Mr. MCGEE: I am two questions behind now.

The VICE CHAIRMAN: Is the question on this item 89?

Mr. MCGEE: No.

The VICE CHAIRMAN: Then I wonder if we could just dispose of item 89, first and then we can hear your questions?

Mr. MCGEE: Item 82 has to do with—

The VICE CHAIRMAN: Commonwealth scholarships.

Mr. MCGEE: It does not have anything to do with that.

The VICE CHAIRMAN: Does 89 carry?

Item agreed to.

The VICE CHAIRMAN: Now, Mr. McGee.

Mr. MCGEE: Going back to the question regarding the follow-up of the audit of various programs, the minister's statement, to be found at page 102, when I asked him about follow-up and checking, was as follows:

Well, there is an elaborate organization under UNRWA, which is set up to provide such inspection. I believe they have an auditor general, and I think every effort is made to see that the different programs are carried out.

Does anybody know what UNRWA means?

Mr. TAYLOR: United Nations Relief and Works Agency for Palestine Refugees.

Mr. MCGEE: Is there a similar type of agency or auditor general set up on the Colombo plan?

Mr. TAYLOR: No.

Mr. MCGEE: There is not?

Mr. TAYLOR: No.

Dr. AULT: I think this is probably taken a little out of context today. This only refers to the relief organization. I assume the minister's reference refers to checking on the relief work in Palestine.

Mr. MCGEE: Then perhaps I have not made myself clear. There is a great deal of money being expended on a wide variety of programs under the broad classification of foreign aid. I do not know about them perhaps. I have had expressions of opinion from constituents and others who have expressed concern about how well these dollars are being spent and how effective is the follow-up and control. As I said earlier this morning, I refer to something in the order of a public accounts committee function, to see that this money is being spent well and is reaching the people ultimately for whom it was designed and so on. It was in that connection I raised this question concerning relief refugees and again in connection with the Colombo plan. Your answer then is, there is no follow-up or no checking or inspection team or function or person within the framework of the Colombo plan?

Dr. AULT: There is no special inspection team, no; but as I said, contracts are let to responsible companies. There are consulting engineers in charge. The agency that we use is the Canadian Commercial Corporation or Defence Construction Limited. At times we use the knowledge of other departments

of government. All these amounts, of course, are audited very carefully,—as they have to be for any Canadian spending. I do not quite see, Mr. Chairman, what else we might do.

Mr. MCGEE: Are you suggesting what I have in mind is already being done by the audit?

The VICE CHAIRMAN: That is what Dr. Ault just said.

Are you through, Mr. McGee?

Mr. MCGEE: Well, I had another question. You mentioned you had another table that I find on page 121, table G. The question I asked concerned the trainees who are in Canada, where they were and what sort of training they were receiving, and I was referred by the chairman to the minutes of March 11.

Dr. AULT: If this is not indicated here we shall make a special note of it and provide you with the information. You want to know where these West Indians are being trained in Canada?

Mr. MCGEE: Yes, we heard about some on the Colombo Plan, and some of them being at Carleton University on the public administration course. I was wondering what the type of training was.

Dr. AULT: Would you like to look at a document as large as the one I hold in my hand, to see where every student is being trained in Canada. We have copies of this.

Mr. MCGEE: All I want is an answer to the question.

The VICE CHAIRMAN: Well, it would take an hour to read that off!

Dr. AULT: May I have it clear, then, please. Mr. McGee, you want to know where West Indian students are training in Canada; is that right?

Mr. MCGEE: Yes.

Dr. AULT: We will get that information.

The VICE CHAIRMAN: You will be furnished with that information later.

Mr. MCGEE: Thank you.

The VICE CHAIRMAN: To get the record clear, gentlemen, 86 and 87 were referred to. Are they carried?

Items 86 to 89 agreed to.

Item 90. Contribution to the United Nations special fund in an amount of \$2,070,000 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1959, which is \$ 1,903,750

The VICE CHAIRMAN: Have you any observations on that?

Mr. TAYLOR: I would like to make a few comments if I may, Mr. Chairman.

The United Nations Special Fund came into operation on January 1, 1959, as the result of a decision taken at the twelfth session of the General Assembly in 1957. The Canadian delegation played an important role in the debates and negotiations which led to the establishment of the Special Fund, and Canada has been elected for a three-year term to the governing council of the Fund. The purpose of the Special Fund, whose managing director is Mr. Paul Hoffman, is to provide systematic and sustained assistance in fields essential to the integrated technical, economic and social development of under-developed countries. The fund is designed to engage in relatively large projects which would be beyond the scope of the United Nations expanded program of technical assistance. These projects may take the form of surveys, research work, the provision of training, experts or equipment, or the establishment of pilot projects and demonstration centers.

The special fund is financed by voluntary contributions from members of the United Nations and specialized agencies. Recipient governments are re-

sponsible for financing the local costs of projects undertaken by the fund. The combined target set for contributions to the special fund and the expanded program of technical assistance in 1958 was \$100 million, or \$50 million for each agency. In 1959, contributions totalling approximately \$26 million were received by the special fund, including \$2 million contributed by Canada. At a pledging conference held at the United Nations in October 1959, the Canadian delegation announced that, subject to parliamentary approval, Canada would contribute another \$2 million in 1960. The special fund is expected to receive approximately \$32 million in new contributions in 1960.

The first report of the governing council of the special fund was considered at the twenty-eighth session of ECOSOC and the fourteenth session of the general assembly. The report described 13 projects initiated in 12 countries, including several surveys and pilot projects. Canada co-sponsored a resolution, which was adopted unanimously by the second committee of the general assembly, noting with satisfaction the first report of the special fund, commending the managing director on a successful beginning and calling on member states to provide the fund with adequate resources. In December 1959 the governing council of the special fund met for the third time and approved a further list of 31 projects which will cost \$23,700,000.

Mr. HERRIDGE: Mr. Chairman, I just have one question. In view of the work done either by the United Nations or by the individual governments in the field of assistance in various directions, what was the particular reason for establishing this fund?

Mr. TAYLOR: If I may, Mr. Chairman, the background is, I think, as most members know, related to the proposal which has been discussed in the United Nations, for a special United Nations fund for economic development—SUNFED. When it appeared that it would be impossible to establish SUNFED I think it is fair to say, that the special fund was in a way a compromise arrangement. This compromise was, I think, worked out since the scale of contribution which would have been required at that time was just beyond the scope of most of the countries which would have been the large contributors. Accordingly, the developed nations were anxious to do something for the underdeveloped countries along this line, and the special fund of the United Nations was, I think, a very acceptable, adequate and valuable compromise.

Mr. JONES: Mr. Chairman, we were issued with appendix D to the main estimates of this department. Appendix D is entitled "Canadian government's assessment for membership in international organizations". On reference to that, I notice the special fund is not referred to specifically. I wondered if it is included in our U.N. budget, or has it just been omitted from the table?

Mr. TAYLOR: I am afraid I do not have that reference.

Mr. JONES: You may have my copy.

Mr. TAYLOR: I think that probably the difference is this: the listing which is given here covers Canada's contributions to the budgets of these organizations. Our contribution to the special fund would not, I think, be regarded as a contribution to its budget: it would be a contribution to an operating fund which would permit the agency to carry out the work which it was set up to do.

Mr. JONES: Administrative contributions, in other words?

Mr. TAYLOR: Yes.

Mr. JONES: Thank you.

The Vice CHAIRMAN: Are there any further questions? Does item 90 carry?

Item 90 agreed to.

The Vice CHAIRMAN: Item 91, contribution to United Nations expanded program for technical assistance.

Item 91. Contribution to the United Nations Expanded Program for Technical Assistance to Under-Developed Countries in an amount of \$2,000,000 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1959, which is \$ 1,903,750

Item 91 agreed to.

MULTILATERAL ECONOMIC AID PROGRAMS

Item 92. Contribution to the operational budget of the international atomic energy agency \$ 50,000

The VICE CHAIRMAN: Item 92, contribution to operating budget of the I.A.E.A. What is that?

Mr. TAYLOR: The international atomic energy agency.

The VICE CHAIRMAN: Yes. Does item 92 carry?

Item 92 agreed to.

SPECIAL AID PROGRAMS

Item 93. Contribution to the program of the United Nations high commissioner for refugees \$ 290,000

Does the item carry?

Mr. HERRIDGE: Pardon me, Mr. Chairman; would the appropriate witness mind explaining the particular function of this organization in relation to other world refugee organizations. Is there any overlapping, or is there a dove-tailing?

Mr. H. B. STEWART (Head, finance division, Department of External Affairs): May I answer that question, Mr. Chairman?

The VICE CHAIRMAN: Yes.

Mr. STEWART: The program of the high commissioner for refugees is a continuation of the former United Nations refugee fund, which ceased operations as such on December 31, 1958. The high commissioner's program is primarily concerned with the final closing of refugee camps under his mandate which have existed since the second world war in Austria, Germany, Italy and Greece. The population of these camps has been reduced to about 30,000, and it is thought that the camps can be finally closed in late 1960 or early 1961 if special efforts are made.

If I may give some further expansion in the way of figures, and so on: a resolution of the twelfth General Assembly of the United Nations set up this particular fund. We have contributed to the fund since 1952 in various amounts. The lowest we paid was \$50,000, in 1954; and our 1959 contribution was \$290,000.

Mr. HERRIDGE: Is it correct to say, then, that the activities that have been carried on under the world refugee year program are aimed at emptying these camps?

Mr. STEWART: The contribution this year was made in the hope that the camps would eventually be closed out by 1961.

Mr. VIVIAN: Mr. Chairman, various communities have made contributions to this fund from voluntary sources, and I have two questions on this matter.

First of all, under this item, is this merely funds for the financial assistance of the 100 tuberculous families: and if not, my second question is—where does this voluntary campaign that is now being waged fit in; what relationship does that bear to this project?

Mr. STEWART: I will attempt to answer that question. I would be definite in this statement, the tubercular refugees' program has nothing

whatever to do with this vote. It is a special vote which has just been passed in supplementary estimates. I am not sure of my ground, but I think the special campaign you speak of is also in relation to the world refugee year, by private donations, which are made voluntarily. This would not have any effect on this.

Mr. VIVIAN: Where do those private donations go in Canada?

The VICE CHAIRMAN: It is not the concern of the External Affairs Department. They do not come under this department. Does the item carry?

Item agreed to.

Item 94. Contribution to the United Nations Children's Fund \$ 650,000

Mr. HERRIDGE: Perhaps Dr. Ault might explain the position at this time of that organization? Would Dr. Ault explain the situation at the present time with respect to this fund? Is it particularly active?

Mr. STEWART: Very much so, yes.

The United States contributes more than half of UNICEF'S funds, pledging \$11 million on a 50 per cent matching basis in 1959.

Canada has been a consistent supporter of UNICEF. Our contribution since 1956 has been \$650,000 annually.

The executive director of UNICEF visited Ottawa recently, and was given no encouragement to expect any increase in this amount. Cabinet has approved a contribution of \$650,000 to UNICEF for the 1960-61 program.

The VICE CHAIRMAN: Does the item carry?

Mr. HERRIDGE: There is no lessening of activity?

Mr. STEWART: I would say no.

Mr. MCGEE: Has there been an increase in the amount raised by the children?

The VICE CHAIRMAN: You say, raised by the children?

Mr. MCGEE: Yes. It amounted to \$200,000 last year.

The VICE CHAIRMAN: That was for UNICEF?

Mr. MCGEE: Yes, that is what it was for.

Mr. TAYLOR: I am certain that Mr. McGee is correct, and that there was a special campaign operated by volunteer agencies, operated by children who went out and asked for special donations to UNICEF. But we do not have anything to do with it in our Department of External Affairs.

Mr. MCGEE: Was the \$200,000 which was raised this year combined with the \$650,000 which parliament voted? Was it combined to make up the Canadian contribution?

Mr. STEWART: That is true. The monies are used chiefly to develop permanent health and welfare services for children and to combat diseases like malaria, trachoma, and yaws to which children are particularly susceptible.

UNICEF depends entirely on voluntary government and private contributions. I do not know the mechanics of it, but I understand that these voluntary contributions arising out of the school children's program in Canada find their way into the coffers of the UNICEF organization.

Mr. MCGEE: I think it is by far the most beneficial type of activity that you can have.

Now, coming back to what Mr. Nesbitt said earlier, the idea of private organizations working in concert with the government and involving a great number of people, I would expect there would be one half million children involved at least in this program in Canada. Those children who are concerned with it are ipso facto receiving an understanding of the velocity of international aid.

Mr. RICHARD (*Ottawa East*): This amount of \$200,000 which is contributed independently is not controlled by the government.

The VICE CHAIRMAN: No, it has nothing to do with this vote at all.

Mr. RICHARD (*Ottawa East*): The government has no control of that at all. They can spend that money in any way they wish.

The VICE CHAIRMAN: That is right.

Mr. STEWART: UNICEF in 1959 allocated close to \$28 million to these health programs.

Mr. NESBITT: Mr. Chairman, in view of the good results obtained from the children's crusade on Halloween, raising money for this cause, it seems that adults might follow the same example on New Year's eve.

The VICE CHAIRMAN: Is item 94 carried?

Item 94 agreed to.

Item 95?

Item 95. Contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East	\$	500,000
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Item 95 agreed to.

The VICE CHAIRMAN: Is item 96 carried?

Item 96. Contribution towards the far eastern program of the intergovern- mental committee on European migration	\$	60,000
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Mr. JONES: This is the new program, Mr. Chairman?

The VICE CHAIRMAN: Yes.

Mr. JONES: Could we have a brief explanation of it?

This is the contribution towards the far eastern program of the intergovernmental committee on European migration.

Mr. STEWART: It is not entirely new. It would appear to be new in these estimates because we skip a year.

Canada actually contributed \$100,000 to this operation in 1954-55. We then discontinued contributions temporarily because there was not a flow of refugees who could get exit visas.

In late 1957 the flow of refugees commenced, and in 1958 Canada announced that parliamentary approval would be sought to obtain assistance for this program. Approval was not obtained until early 1959, but when payment was made in the spring of 1959 it was specified that the contribution was applicable to the 1958 operations of the program. Cabinet has since approved a similar grant for the 1959 program.

The CHAIRMAN: Item 96 agreed to.

Item 97, agreed to?

Item 97 agreed to.

The VICE CHAIRMAN: I think we could probably very well stop there, as it is approximately 11 o'clock. We shall adjourn until 9.30 a.m. on Wednesday next, April 6th.

HOUSE OF COMMONS

Third Session—Twenty-fourth Parliament

1960

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 12

WEDNESDAY, APRIL 6, 1960

ESTIMATES 1960-61 OF THE DEPARTMENT OF
EXTERNAL AFFAIRS

WITNESSES:

Messrs. N. A. Robertson, Under-Secretary of State; and H. B. Stewart,
Head, Finance Division; both of the Department of External Affairs.



THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1960

STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.,
Vice-Chairman: F. E. Lennard, Esq.,

and Messrs.

Aitken (Miss),
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Batten,
Cardin,
Cathers,
Crestohl,
Eudes,
Fairfield,
Fleming (Okanagan-
Revelstoke),
Garland,
Hellyer,
Herridge,

Jones,
Kucherapa,
Lafrenière,
MacLellan,
Macquarrie,
Mandziuk,
Martin
(Essex East),
McCleave,
McGee,
McIntosh,
Montgomery,
Nesbitt,

Nugent,
Pearson,
Pratt,
Regier,
Richard
(Ottawa East),
Slogan,
Smith
(Calgary South),
Valade,
Vivian—35.

Eric H. Jones,
Clerk of the Committee.

CORRIGENDUM (*English Edition only*)

Minutes of Proceedings and Evidence No. 1, March 3, 1960.

Page 45, 15th line from bottom: in footnote 2, delete "\$2,000,000" and substitute "\$1,500,000" therefor.

MINUTES OF PROCEEDINGS

WEDNESDAY, April 6, 1960.

(13)

The Standing Committee on External Affairs met at 9.30 o'clock a.m. this day, the Vice-Chairman, Mr. F. E. Lennard, presiding.

Members present: Miss Aitken and Messrs. Cardin, Crestohl, Fairfield, Fleming (*Okanagan-Revelstoke*), Herridge, Jones, Kucherepa, Lafrenière, Lennard, MacLellan, McCleave, McGee, Nugent, Pratt, Regier, Richard (*Ottawa East*), Slogan, Smith (*Calgary South*) and Vivian—20.

In attendance: of the Department of External Affairs: Messrs. N. A. Robertson, Under-Secretary of State; E. W. T. Gill, Assistant Under-Secretary of State; H. B. Stewart, Head, Finance Division, and Ross Campbell, Special Assistant to the Minister.

The Committee resumed its consideration of the 1960-61 estimates of the Department of External Affairs.

The Committee agreed to a request from the Secretary of State for External Affairs to the Chairman for a revision to be made in the record of the Minister's statement to the Committee on March 3, 1960 in Issue No. 1. (*For detail of the said revision see Corrigendum on the second page of this issue*).

Item 98, Assessments for Membership in International Organizations, was called. Messrs. Robertson and Stewart were questioned thereon; the said item was carried.

The following items were severally called and carried, namely,

Item 99, Contribution to the program of NATO's Science Committee.

Item 100, Payment to ICAO relating to Quebec income tax of its employees.

Item 101, ICAO Rental Assistance.

The following items were severally called; Mr. Robertson was questioned on them, and the items were carried, namely,

Item 102, UN Technical Assistance Administration Training Centre at the University of British Columbia.

Item 103, Grant to International Committee of the Red Cross.

Item 104, Grant to the Commonwealth Institute.

The Committee reverted to Item 75, Departmental Administration; Messrs. Robertson and Stewart were questioned thereon.

At 10.52 o'clock a.m. the Committee adjourned until 9.30 o'clock a.m. on Thursday, April 7, 1960.

Eric H. Jones,

Clerk of the Committee.

EVIDENCE

WEDNESDAY, April 6, 1960.
9.30 a.m.

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

Reference was made at the last sitting to a possible meeting of the Committee with Carleton University students who are here under the Colombo plan. I have given some consideration to this matter, and I feel that it would be advisable for them to meet with us at one of our regular meetings. Possibly it would be better to let the matter stand until immediately after the Easter recess, when Mr. White will be back. At that time he could arrange to have a meeting, which would be a special one, on the Colombo plan. After all, we have passed the estimates in the regular way, and I feel that this would solve the problem. As Easter is fast approaching, the students are either in the course of examinations or preparing to get away.

What is the feeling of the committee in regard to this matter?

Agreed.

The VICE-CHAIRMAN: Gentlemen, there is a correction to be made in footnote 2 on page 45 of No. 1 proceedings at the request of the minister. It is under the part of the minister's statement—Contribution to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA). The figure in footnote 2 is shown as "\$2 million"; it should read "\$1,500,000".

Is it agreed that the alteration should be made?

Agreed.

(See Corrigendum on second page of this issue).

The VICE-CHAIRMAN: Now, gentlemen, we will proceed with item 98—Assessments for membership in the international organizations.

Item 98. Assessments for Membership in the International (including Commonwealth) Organizations that are detailed in the Estimates, including authority to pay such assessments in the amounts and in the currencies in which they are levied; amount required in Canadian dollars, estimated as of December, 1959 \$ 4,207,526

The VICE-CHAIRMAN: Now, gentlemen, are there any questions?

Mr. SMITH (*Calgary South*): Mr. Chairman, if I may, I would like to ask the under-secretary a question. I think my question is relevant at this time. However, if the under-secretary prefers, I will hold it until the minister appears again before the Committee.

My question concerns the method by which decisions are reached on questions of policy and procedure, or questions related to an approach to a subject. To be more specific, I will take the United Nations as just one example. There we have before the delegations an outline of the general policy in relation to each of the subjects that are inscribed on the agenda of the United Nations. There you have often the minister in attendance; you have the parliamentary secretary—and here let me say that these young secretaries do an excellent job, and I have no criticism of them; you have the head of the delegation, or the vice-chairman; you have numerous advisers; and then you have the delegates themselves—with all of this information concerning the history in

relation to the problem, with all the advice of the professional diplomats—the ambassador, the chief of staff, and the knowledge of the secretarial staff.

As I said, the United Nations delegation is one example. It finds itself consistently in a position of having to refer back to your office and you, in turn, to your advisers, on questions of procedure and policy.

Now, my question to you, sir, is this: are we not leaving ourselves somewhat inflexible—realizing how quickly events take place? Should we not have more authority at these various posts—and I have cited the United Nations as one example. Do the people in Ottawa, not just yourself but your advisers, fully grasp the atmosphere surrounding the circumstances of these posts? Again, I mention the United Nations as the best example.

Is our information transmitted fast enough so the decisions can be made as they should be made in relation to the items before us? Of course Ottawa must make all policy decisions. But on the question of an approach to what is said in a speech made when debate takes place in the general session, should not more authority be vested in those who are responsible in these posts; in particular I emphasize the general assembly of the United Nations?

Mr. N. A. ROBERTSON (*Under-Secretary of State for External Affairs*): I think that is really a question that the Minister could answer better than I could. I can give you a preliminary explanation. I would say the position with regard to the general assembly and the delegation there is that it is unique. I would not regard it as representative of the situation in the embassies round the world. Your case for a delegation of responsibility is much stronger in terms of the delegation at, say, New York, than it is in the United Nations. Basically, it is very important to see that any statements made in the name of Canada are consistent, that they are in line with cabinet policy; and whenever you can you want to check and confirm before a decision is taken. A good many quick decisions have to be taken in the course of the assembly, but some of them have quite important consequences. Now that we have a pretty good and very fast system of communication with our office, I think there is a great deal to be said for encouraging them to consult frequently and quickly with the Government in Ottawa, when they can. But there are situations when a snap decision has to be taken and the man in charge has to use his best judgment, which may not always coincide with the judgment here. I do not think any government can delegate responsibility to, let us say, a delegation at a conference, or more particularly the United Nations.

Mr. SMITH (*Calgary South*): I think you have answered as far you can, sir. I only suggest that our difference, if there is one at all, is in degree. I agree with everything you say, that responsibility must be in the cabinet. We cannot be in the position of some countries whose delegations speak off the top of their heads when a situation occurs. But having had the responsibility of speaking for a committee, I got a feeling of utter frustration at times when, quite honestly, we would have to go back to have our statements so completely processed. We have a wealth of staff at the United Nations and, it seemed to me, we were not utilizing as well as we might the professional people we had on hand. I believe that is a fair question which I will be happy to direct to the Minister, because I am not speaking of whether we should, for instance, abstain; I am not suggesting we should support a resolution on Hungary. I am suggesting that more responsibility could be left to the delegates as to the way in which we word a speech or a reference that is made to a speech, rather than have to keep making references; because by the time the reference is made and the reply comes back the debate has taken a completely new turn.

Mr. ROBERTSON: There is one supplementary point I would make on the preliminary explanation, and that is that a good many questions coming up in the committee of the United Nations deal with questions that more closely concern other departments of the government than they do the Department of External Affairs. The reference back to Ottawa is often to enable us to consult Finance or Health and Welfare, or whatever department has the responsibility in that particular field with which the United Nations is dealing.

What committee were you on?

Mr. SMITH (*Calgary South*): Special political committee, Mr. Robertson.

Mr. ROBERTSON: In that field you would not have required that kind of inter-departmental consultation. But in some of the special and social fields that is very important.

Mr. SMITH (*Calgary South*): As I say, I think it is a matter of degree, Mr. Chairman. If your argument is taken to the extreme, though, sir, it would mean there would be little point in having the delegate there at all—rather just a spokesman who is responsible for repeating views that may have come out of the office of a civil servant in Ottawa.

This is no discredit to the civil servant in Ottawa; but I merely say I think all the staff you have are equally well informed on the subject. Keep in mind that even before you go into the debate you have the complete details of the history of the position or the decision that Canada has taken, supplied on the advice of the ambassador, the advice of the chairmen of the organizations, the advice of the chief of staff, the advice of eight or ten secretarial professionals. But references continually back to Ottawa seem to me to put us in the position that we are a day behind in the debate. Perhaps I can pursue it with the Minister.

Mr. HERRIDGE: I have been listening to Mr. Smith. I am inclined to think the procedure is a good safeguard, particularly when you have very incapable or somewhat inexperienced men speaking for Canada.

Mr. SMITH (*Calgary South*): I would like to point out that if that were the case I would certainly agree; but that is not the case. Before an inexperienced member of parliament—and it need not be a member of parliament, it could be any one of a number of people, or could be the ambassador himself—before any speech is put in his hands, it has been processed through a caucus of the delegation with the assistance of all these professional people I am talking about. Again I emphasize I am not talking about major policy decisions. I rather got the feeling that before you go to have a cup of coffee you have to receive instructions, and that there is little or no flexibility in the delegation's approach to a subject.

There is a big difference between making policy decisions by an inexperienced member of parliament and having people in the delegation who are responsible and realize the atmosphere of the debate and the position that is being taken.

The VICE-CHAIRMAN: Well, I might say, Mr. Smith, there is on occasion some leeway exercised, because I remember on one occasion, on a committee, I voted against the advice of the departmental officials because I thought they were wrong.

Mr. HERRIDGE: That is traditional in your case, Mr. Chairman!

Mr. SMITH (*Calgary South*): I am delighted to hear that, Mr. Chairman.

The VICE-CHAIRMAN: I am still convinced that they were wrong.

Mr. McCLEAVE: I did not think they were wrong.

The VICE-CHAIRMAN: Any further questions? Does item 98 carry?

Mr. REGIER: On item 98 I wonder if we might have a copy of a report on what is happening in the Food and Agriculture Organization. How much is our expenditure in the food and agriculture organization? I notice a decrease of \$5,249.

Mr. ROBERTSON: You want to know what our total contribution was?

Mr. REGIER: Yes.

Mr. H. B. STEWART (*Head, Finance Division, Department of External Affairs*): Included in this item for food and agriculture organization is \$363,381.

Mr. REGIER: May I ask, is there a decrease as compared with last year, because this organization is no longer as effective or growing, or was it merely an overestimate?

Mr. STEWART: The decrease here would be almost entirely due to the rate of exchange. This is a United States payment. They are estimated this year, all our United States payments, at .95381, or something like that.

Mr. HERRIDGE: Who were our representatives in that organization?

Mr. ROBERTSON: Our continuing liaison with the FAO is maintained by our Ambassador in Rome. The Canadian representatives—I am not sure if it is annual or biennial—is normally headed by the Minister of Agriculture. At their meeting last November Mr. Harkness was there with a delegation, with some representatives of provincial governments and producers organizations.

I had prepared in answer to a request from Mr. McCleave last week notes on Canadian liaison with each of the specialized agencies. We thought they were perhaps a little extensive to put into the record as they stand, but I might read what we have on the Food and Agriculture Organization.

This note says that the Food and Agriculture Organization was established in 1945 and became a specialized agency of the United Nations in 1946. The supreme body of the Organization is the conference which normally meets biennially. Between sessions of the conference, the work of FAO is supervised by a council, which usually meets twice a year and which is composed of representatives of 25 member-governments elected at the conference.

At the tenth conference of the FAO in 1959, the Canadian delegate was the Hon. Douglas S. Harkness, Minister of Agriculture, who was accompanied by an alternate delegate, Mr. J. F. Booth, Department of Agriculture, and ten associate delegates from the Department of Agriculture, National Health and Welfare, Trade and Commerce, Northern Affairs and National Resources, Fisheries and three members of the Canadian embassy in Rome.

Canada was elected to the FAO council at the tenth conference. The council is to meet again in October, 1960.

The VICE-CHAIRMAN: Any further questions?

Mr. ROBERTSON: Did you get Mr. Stewart's answer to your inquiry about the slight reduction in the appropriation?

Mr. REGIER: Yes.

Mr. ROBERTSON: In budgeting for it we overestimated. There is no decrease in terms of the activity of the Organization.

Mr. REGIER: I notice we do not seem to be making much headway towards development of a world food bank. I wonder if Mr. Robertson would tell us, as a cabinet secretary, what useful purpose this organization now serves?

Mr. ROBERTSON: The Food and Agriculture Organization?

Mr. REGIER: Yes, what is the main line of work outside of the meetings every once in a while?

Mr. STEWART: FAO provides services of common benefits to its 72 member countries, such as the collection and publication of agricultural and fisheries statistics, the organization of international conferences and meetings of expert bodies concerned with agricultural and fishery problems, and services in connection with the international control of animal diseases. Its conferences and meetings provide forums for discussions by member countries of important issues, such as systems of agricultural price support and the problem of surplus agricultural production. An important part of the work of FAO is concerned with providing assistance to the less developed countries, and FAO uses for this purpose both the budgetary contributions of its own members and funds provided from the expanded program of technical assistance of the United Nations.

They use funds from both in their program to assist underdeveloped countries. What we are budgeting for here is our contribution, which is 4.17 per cent of the whole FAO budget. Their expected budget for next year is \$9,154,750—U.S.—and our contribution is 4.17 per cent of that.

Mr. SMITH (*Calgary South*): I might ask, has our assessment in the United Nations been altered at all, or have we had any further requests for additional support?

Mr. STEWART: The scale of assessment for membership in the United Nations for the years 1959, 1960 and 1961 as far as Canada is concerned, is set at 3.11 per cent. This is likely to fluctuate I think, Mr. Smith. The scale of assessment takes account of such factors as comparative income of members per head of population, relative ability to obtain foreign exchange, and the per capita principle, which provides that "in normal times, the per capita contribution of any member should not exceed the per capita contribution of the member which bears the highest assessment". In this case this is the United States and their contribution is 32.51 per cent.

Mr. SMITH (*Calgary South*): Based on those facts, have we been asked for any additional support?

Mr. STEWART: Not that I know of, sir.

Mr. SMITH (*Calgary South*): Can you tell me how many countries of the United Nations are now in default on their assessments, without reading them—just how many of the total membership of 82?

Mr. STEWART: I have not got that figure here at the moment. I think I have it in the office for some agencies, but not the whole thing.

Mr. SMITH (*Calgary South*): I wonder if at a future meeting it could be filed with the committee?

The VICE-CHAIRMAN: We can then table it. Any further questions?

Mr. HERRIDGE: Mr. Chairman, with respect to the International Labour Organization, no doubt some of the members of the committee will remember some years ago the manufacturers in Canada under the act nominated a United States citizen to represent Canada on the committee, and the labour organization nominated a United States citizen. I think it was the famous Mr. Banks. Could you explain what is the procedure now in securing representation for Canada at the International Labour Organization, and what cooperation there is between External Affairs and the Department of Labour, which have something to do with it.

Mr. ROBERTSON: They have a great deal to do with it. The head of the Canadian delegation to the International Labour Organization, which is held every year, is normally the Minister of Labour, if his parliamentary duties permit. The International Labour Organization has been unique in having

been set up as a tripartite representation of labour, employers and governments, and the Minister of Labour arranges with the representative bodies, the Canadian Manufacturers Association, the trades and labour congress and the respective employers; and the Department of External Affairs works closely with the Department of Labour. The deputy head of the delegation is usually our permanent ambassador at Geneva, and our continuing liaison and contact with the International Labour Organization is through our office at Geneva. Canada is not only one of the states of chief industrial importance, but is a permanent member of the governing body of the International Labour Organization.

Mr. HERRIDGE: I just want to say I most emphatically think that persons representing Canada, whether it be for the employer or representing labour, should be Canadian citizens.

Mr. ROBERTSON: This is normally so.

Mr. CRESTOHL: Mr. Chairman, the International Civil Aviation Organization, is the headquarters in Montreal?

Mr. ROBERTSON: Yes.

Mr. CRESTOHL: Are there a satisfactory number of Canadians given employment there, or have we any voice in the selection of the personnel?

Mr. ROBERTSON: No, it is like all the specialized agencies, in that it is completely independent of the host government, as far as its personnel appointments are concerned. I presume that like the United Nations secretariat itself, it tries to combine a representative staff drawn from the participating countries, combined with an efficient office organization. Actually, the new director general is a Canadian deputy under secretary for External Affairs who was appointed to that post last year. He was elected by a vote of the member countries.

Mr. CRESTOHL: There was some talk several years ago, or rather a threat, that they were going to move their headquarters from Montreal. Has that now pretty much disappeared?

Mr. ROBERTSON: I think it was a subject before this committee over the years. There were problems of taxation status and so on, that I think by now have been satisfactorily worked out. There is a small item in the estimates which occurs each year for assistance given by the government towards their accommodation in Montreal, which is part of the deal which I think was settled.

Mr. HERRIDGE: Seeing that this international organization's headquarters are in Montreal, when it comes to the appointment of personnel from Canada, are they in the habit of receiving letters of recommendation from members of parliament?

Mr. ROBERTSON: I would not know about their practices at all.

Mr. RICHARD (*Ottawa East*): Would that be harmful?

Mr. KUCHEREPA: May I ask a question on the NATO science committee. I notice in the research grants program provision for \$58,000 (US). This is a \$1 million program. Could the Under Secretary tell us what this deals with?

Mr. ROBERTSON: Well, about three or four years ago—I think 1956 or 1957—the member countries in NATO thought they would see if they could not cooperate more effectively to develop their scientific studies and programs which they introduced two years ago. The United States, I think, put up \$1 million a year, and the other member countries were asked to match it in proportion.

Mr. KUCHEREPA: If I might interrupt, this was a new program which was decided upon in April, 1959. This is something new which I am inquiring about.

Mr. ROBERTSON: It has been modified; but the whole NATO science committee was only set up about three years ago. They have a system of scholarships for scientific studies within members of the NATO alliance. This new program, I think, was directed by this committee of which Dr. Steacie of the National Research Council is the Canadian representative.

Mr. REGIER: Before we get too far into item 99, I do not know whether we had concluded 98—

The VICE-CHAIRMAN: We have not completed 98. It has not passed yet.

Mr. REGIER: If I may, on item 98, commonwealth education liaison unit, we are for the first time paying \$9,612. How many students have we now in Canada as a result of this new program?

Mr. ROBERTSON: I do not think any students have yet come under the commonwealth program worked out at the conference last summer. We are currently holding competitions in different parts of the commonwealth, to select students under this scheme who will be coming to Canadian universities for the academic year beginning in September.

Mr. CRESTOHL: Would this be apart from any scholarships that are considered by the Canada Council?

Mr. ROBERTSON: This is quite apart from the Canada Council program. This item that Mr. Regier mentioned is our share of the contribution to the central organization in London, which is responsible for correlating the programs in this field of the different commonwealth countries. That is our share of their administrative and overhead costs.

Mr. REGIER: And this organization in London will also be responsible for giving adequate publicity within the commonwealth to the program?

Mr. ROBERTSON: Well, I think they will be trying to coordinate and perhaps suggest to the commonwealth countries what they should do in that field. In Canada it is the responsibility of the committee that administers the plan, and they have cooperation with the universities in bringing this to the attention of students everywhere.

Mr. SMITH (*Calgary South*): Mr. Robertson, you were discussing a project a minute ago, and perhaps this comes within the same field.

Canada is one of the very few countries of the United Nations which, in addition to the professional diplomat who represents the country as a delegate, sends a contingent of political representatives—which I am sure the members of the committee agree is a very happy balance.

I think I am correct in saying that the majority of countries do not follow this practice, that in most instances it is the professional diplomat who invariably represents the countries at the sessions of the general assembly. Is this not basically correct?

Mr. ROBERTSON: I have never myself attended a regular session of the United Nations. It was my impression that the United States and United Kingdom primarily both have a political delegation at the assembly. I think the United States usually has a bipartisan representation. The United Kingdom practice—and I speak subject to correction now—is to have supporters of the government in power make up the delegation.

Mr. SMITH (*Calgary South*): That is quite correct.

Mr. ROBERTSON: I think we are probably in the minority, but at least we are in quite good company.

Mr. SMITH (*Calgary South*): We are an exception to the rule; but the point I would like to make is—and this is not an assertion but rather a hope—that we will not only continue this practice, but that we will enlarge the number of political representatives as political advisers or representatives, because it obviously makes for a more informed parliament if they have the opportunity of seeing the United Nations in operation. I am in full concurrence with what Canada does, and I hope we will do more than that.

Mr. ROBERTSON: I think you can take that up with the Minister who will be here tomorrow, if you want to pursue that.

The VICE-CHAIRMAN: Does item 98 carry?

Item agreed to.

Item 99. Contribution to the program of the North Atlantic Treaty Organization's Science Committee in an amount of \$130,870 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1959, which is	\$	124,572
Item 100. Payment to the International Civil Aviation Organization in part reimbursement of compensation paid to its Canadian employees for Quebec income tax for the 1959 taxation year		12,000
Item 101. To provide the International Civil Aviation Organization with office accommodation at less than commercial rates		215,716

Items 99, 100 and 101 agreed to.

The VICE-CHAIRMAN: Item 102?

Item 102. Contribution to the United Nations Technical Assistance Administration Training Centre at the University of British Columbia	\$	10,000
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Mr. HERRIDGE: Could we have some explanation as to recent developments in relation to that?

The VICE-CHAIRMAN: Is this on item 102, Mr. Herridge?

Mr. HERRIDGE: Yes, it is.

Mr. ROBERTSON: The committee will remember this is a new project for which provision was made for the first time last year, and this current year is the first in which this training scheme has been in operation at the university of British Columbia, which gives it quarters and the cooperation of the faculty of the university itself.

The other day I was talking with the director, who was in town. He was describing their first year's work. They had about a score of trainees, mostly in public administration and in technical-professional administration from less developed countries; and they worked out a training program for them in the Pacific northwest involving the cooperation of both the provincial administrations in British Columbia and the prairies, and the state administrations and American universities on the Pacific coast. Also they have had a good deal of cooperation from private industry in the area.

Though this is very much an experimental project, the report I had on its work was encouraging and suggested they hoped to see it continuing and expanding.

Mr. HERRIDGE: Thank you.

Item 102 agreed to.

Item 103. Grant to the International Committee of the Red Cross	\$	15,000
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Mr. McCLEAVE: I have a question or two to ask on item 103, the grant to the international committee of the Red Cross.

Does this payment take into account special emergencies that may arise, such as those that have arisen in North Africa and South Africa in recent months?

Mr. ROBERTSON: This particular vote is the regular annual grant in aid the government makes each year towards, I think, the administrative expenses of the International Red Cross.

As the members of the committee will remember, there is this special diminishing vote which arose out of the contributions to flood relief in western Europe five or six years ago, which left a substantial sum in excess of what was required to meet that particular emergency. Contributions are made from time to time through the Red Cross, with the concurrence of the government, to particular emergencies as they arise in various parts of the world. I believe the earthquake in Morocco was the most recent.

Mr. REGIER: I wonder if Mr. Robertson could inform us, at this time what is the state of the Fraser valley flood relief fund, and what is being done with it?

Mr. ROBERTSON: Frankly, I do not know. I do not think it comes within the ambit of the department.

The VICE-CHAIRMAN: I would not think it would, Mr. Regier.

Mr. KUCHEREPA: Mr. Chairman, in pursuance of what the Under Secretary has been saying, approximately in dollars what is the state of that particular fund, to which you made reference?

Mr. ROBERTSON: There is no point in my making a guess—

Mr. KUCHEREPA: Well, if you do not know—

Mr. ROBERTSON: No, I do not know.

Mr. REGIER: Concerning this international committee of the Red Cross, do the countries behind the iron curtain participate in this international organization, or have they organized counter-organizations?

Mr. ROBERTSON: I think I have to answer "I do not know" to that. It is my recollection that there was some representation, or a question of representation arose at the time of the last conference of the international Red Cross federation, which was held in Canada. As to just what the status of their relations is, I would have to make inquiries; I forget.

Mr. REGIER: I wonder if we could get a report, at a later meeting, as to exactly how international this organization is at this time?

The VICE-CHAIRMAN: Could you have that information at the next meeting?

Mr. ROBERTSON: Yes I think so.

The VICE-CHAIRMAN: Could you have it for tomorrow?

Mr. ROBERTSON: Yes, I think so.

Mr. CRESTOHL: At the time you make this report it would also be interesting to have a report on what occasions, if any, did the countries behind the iron curtain require or call for assistance from the International Red Cross.

Mr. ROBERTSON: Yes, we could get that information.

The VICE-CHAIRMAN: Any further questions on that item?

Item 103 agreed to.

Item 104. Grant to the Commonwealth Institute in an amount of £500, notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1959, which is \$ 1,331

Mr. SLOGAN: Mr. Chairman, I notice there is a group of appropriations not required for 1960-61. Among those is the item of \$10 million regarding the purchase and transfer of wheat flour for the strategic stock piles of food in member states of NATO.

Am I to understand that the plan for this stock pile has gone by the board?

Mr. ROBERTSON: I am not quite sure. There may be agreements under that program concluded with Norway and perhaps other NATO countries.

The VICE-CHAIRMAN: Perhaps you could have that information too for tomorrow morning's meeting.

Mr. ROBERTSON: We will prepare a memo for you on that.

Mr. KUCHEREPA: Coming back to the item just above that item, the NATO headquarters building, could the Under-secretary tell us the total cost of that new NATO headquarters building to which we contributed \$124,420 during 1959?

Mr. ROBERTSON: Have we that information here?

Mr. STEWART: I have not the information here at the moment, but it was given in the house by Mr. Fleming. It was not in the estimates, but was in the supplementaries which went through the house the other day. We could bring that information in tomorrow.

The VICE-CHAIRMAN: Any further questions on item 104?

Item 104 agreed to.

The VICE-CHAIRMAN: Now we revert to the main item.

Item 75. Departmental Administration \$ 6,370,736

Mr. McCLEAVE: How about items 105 and 106?

The VICE-CHAIRMAN: They have both been carried.

Mr. HERRIDGE: Mr. Chairman, I have a question I would like to ask Mr. Robertson. This is under item 75, departmental administration?

The VICE-CHAIRMAN: That is right.

Mr. HERRIDGE: Is it the practice of the High Commissioner's office in London to send officials of the Department of External Affairs to meetings of the Conservative clubs in Britain and to address these meetings on various occasions with respect to the good government that we have in Canada, and the possibilities for migration to Canada?

Mr. ROBERTSON: I once talked with a group which I believe is one of the younger Conservative political organizations. I was High Commissioner for Canada under another government.

Mr. SMITH (*Calgary South*): Congratulations; that is sound policy indeed.

Mr. HERRIDGE: Does the High Commissioner's office also send officials to meetings of the Labour party in Great Britain?

Mr. ROBERTSON: I think we have had people there as observers at the annual trade union congress and at both the big annual party meetings.

Mr. HERRIDGE: My question was, to labour party clubs?

Mr. SMITH (*Calgary South*): Have they ever been asked?

The VICE-CHAIRMAN: I would think that our Department of External Affairs in London would send a representative to any organization that asked them to send one.

Mr. HERRIDGE: Why I asked was this: I have a cousin, a very elderly lady, but she is very active in the Conservative party. I got a letter from her only a few days ago saying that the high commissioner's office did send speakers to Conservative party organizations to discuss these things. I wondered if it was the policy of the government to condition immigrants in England, before leaving for Canada, for membership into the Progressive Conservative party.

Mr. ROBERTSON: I think, as the chairman suggested, that so far as the resources of staff allow, if any group wants to hear a talk about Canada, or any aspect of government, the staff of the high commissioner would try to

meet it. It is not always possible; invitations can come from all quarters. But when we can, we do try to meet them.

Mr. HERRIDGE: I might say that my cousin also mentioned in the letter that, while a percentage of the members enjoyed the talks, there were a good many who said they would rather continue to play housey-housey to provide funds for the cause.

The VICE-CHAIRMAN: That is up to them.

Mr. CARDIN: Mr. Chairman, I would like to ask Mr. Robertson a question concerning the Canadian weekly bulletin. If I recall correctly, that particular publication is put out by the information department of External affairs and distributed to our ambassadors and representatives throughout the world. The purpose of this bulletin is to keep our representatives informed of the trend of Canadian thinking. Is that still the policy of government?

Mr. ROBERTSON: I think the publication continues—you call it a publication—in exactly the same form.

Mr. CARDIN: Could Mr. Robertson tell the committee whether there is included in this bulletin any indication of the opposition's thinking on important, either national or international questions?

Mr. ROBERTSON: I do not see it as regularly as I did when I was abroad and on the circulation list; but this little compendium is prepared by the information department on exactly the same basis as it has been prepared for some years. I could not answer your question in substance; all I am saying is that there has been no change in the policy.

Mr. CARDIN: Would it be possible for the committee to obtain copies of this particular bulletin where the opposition point of view was made known?

Mr. ROBERTSON: We would be glad to send you a copy.

Mr. CARDIN: The point I am trying to make is merely this. If the department is spending money to have their representatives informed of Canadian thinking, and there is no mention made of opposition spokesmen's points of view, I do not believe there is much use in having the bulletin sent out or having to pay for it.

I have one dated March 30, 1960, and some of the subjects included in it are rather strange, like *Music summer school*, *No trout size limit*, and *Shakespeare seminar*. It seems to me that points of view on the Bomarc, and subjects of that nature, would indeed be more useful. My point is this: if it does not really cover what it is supposed to; if it does not give a full picture to our representatives of what is going on in Canada, I submit it is a waste of time and money.

Mr. ROBERTSON: This program of sending out this short bulletin is to save the very high cost of sending newspapers from Canada by airmail, and whether it fills that gap adequately is a matter of opinion. I was never very dependent on it, because I was never in very far-away posts.

Mr. CARDIN: I am not complaining about the form in which the matter is printed: it is the contents that I am concerned about. I am not so sure they are very valuable.

Mr. SMITH (*Calgary South*): Send them a copy of *Hansard* and they will be thoroughly bored! Mr. Chairman, I have a supplementary question. Mr. Robertson, you have a relationship with the chief of the general staff in the appointment of military attaches. How is this worked out: who makes the decision as to who goes to what post—the chief of the general staff, in cooperation with your department?

Mr. ROBERTSON: First of all, there is consultation and agreement between the Department of National Defence and the Department of External Affairs,

subject expressly to cabinet approval, as to which posts should have a service attache, and what kind of service attache! I mean, whether you want to have them from all three services as well as from defence, or whether you combine the post.

Mr. SMITH (*Calgary South*): I appreciate that.

Mr. ROBERTSON: When it comes to designation of an individual officer for a post, the initiative is taken by the Department of National Defence, but the practice is to notify in advance and secure the consent of the head of the post to whom the military attache, or air attache, is being appointed.

Mr. SMITH (*Calgary South*): So that any initiation, in the first instance, is basically the Department of National Defence?

Mr. ROBERTSON: Yes.

Mr. SMITH (*Calgary South*): You are not in any way responsible, or concerned, yourself, with perhaps lack of rotation or the period of office? This, again, is Department of National Defence, is it? The suitability of the man would be, of course, your concern.

Mr. ROBERTSON: We are concerned about some things. In some posts there is a question of accommodation which has to be taken into account. Since the service attaches are part of the Canadian general representation on any post or station, we are therefore interested. But the designation of an individual officer, the question of rotation—that would be strictly a service question.

Mr. SMITH (*Calgary South*): Then may I talk for a moment about a career diplomat as such, whether he be an ambassador or an officer of lesser rank. Have we changed our policy at all in that regard? I believe his term of office has been increased, has it not? Have we not endeavoured to add a year to his service, in some instances?

Mr. ROBERTSON: You cannot make any general statement across the board. We have a rough division of posts and classes, in which we take into account climatic conditions, accessibility—

Mr. SMITH (*Calgary South*): There is no general rule; that is the answer?

Mr. ROBERTSON: No. There is a group where you normally have a shorter expectation of appointment than others.

Mr. SMITH (*Calgary South*): Is it not correct that in certain instances, where you are dealing only with a particular category, you have a general rule that the length of time he will stay in the post—provided, of course, the economic and weather conditions are normal—is a four-year period?

Mr. ROBERTSON: No, that would be on the high side. It goes from 3½ years down to 2 years. In a post like Ghana, it is 2 years.

Mr. SMITH (*Calgary South*): These gentlemen are invariably rotated from one particular post to another, and in some instances are brought back to assume responsibility within the department itself; is this correct?

Mr. ROBERTSON: Yes, it is true as a general rule, though the term of the assignment does depend upon the requirements of the service generally. Sometimes, to complete a necessary move, you may have to move somebody before he has completed his expected assignment; and in some cases it may be stretched by a year.

Mr. SMITH (*Calgary South*): This leads me to the point in which I am really interested. How do you determine the efficiency of some of our representatives? This is a responsibility, I assume, which is largely yours, is it not, Mr. Robertson? In the event that you must make periodic checks, do you concern yourself with any particular method of determining the efficiency of your representatives? Are you, in any instances, rotating them to give them

broader experience? But basically I am interested in how you determine their efficiency.

Mr. ROBERTSON: We have now—and I do not know that it really answers your question—an inspection service in the department which works in close cooperation with treasury board and with the Civil Service Commission; and I think that the Department of Trade and Commerce has similar methods for maintaining the efficiency of officers abroad.

That inspection service periodically examines, on the spot, the set-up, working arrangements, practices of the local posts and compares them with what they found in examination of other posts. They hear suggestions, make suggestions and report back to departments on the efficiency or otherwise of the post. Then that background information is taken into account in advice to the minister about transfers and promotions.

I think that is probably the normal way in most foreign services in trying to maintain an efficient overseas organization often in very small units where you may have just two or three people together.

Mr. McGEE: Mr. Chairman, the under-secretary was not here when we heard what I considered to be very unsatisfactory evidence the other day, concerning the follow-up on the expenditures of funds, in general, to determine whether the funds allocated in the general field of foreign aid are reaching the people we are designating them for.

I questioned the witness at the last meeting concerning some kind of audit or inspection, and as I say the reply I received was most unsatisfactory. I was wondering if the under-secretary could give us some general information along this line?

Mr. ROBERTSON: I am sorry, I was not at the meeting in question, and I do not think I can comment on it, at least without having had a look at the record of the meeting.

Mr. CRESTOHL: I wonder whether Mr. Robertson could tell us if the department from time to time avails itself of information that could be brought out by parliamentarians or senators who visit either officially or unofficially our legations abroad?

Mr. ROBERTSON: Oh yes, I would say we have always been very grateful, very, very glad to.

Mr. CRESTOHL: Some of them may be a little diffident to come forward and voluntarily make a report, and I was wondering if you have from time to time called on them.

Mr. ROBERTSON: Oh yes, and we are very glad to have their opinions.

Mr. CRESTOHL: I wonder if the committee has had a report of this last commonwealth parliamentary association group. There were several parliamentarians and a number of delegations. I wonder if you have heard anything from them?

Mr. ROBERTSON: I have had informal conversations with one or two members who were on that group and made that tour. I would say I would be very glad to hear the comments and suggestions of people who have seen posts that I have not seen.

Mr. CRESTOHL: I thought perhaps, Mr. Chairman, the committee might be interested in hearing an observation from our delegation in the state of Israel, a rather important spot at this time. I am not speaking for the group but for myself. Our complete legation—certainly the ambassador—enjoys an excellent degree of popularity, a fine reputation in the work she is doing in that rather delicate spot. The staff too enjoys the confidence of the people there. I am speaking now from personal observation of the people I met in important posts in the government of Israel. I was delighted to hear of her

extreme popularity, her fairness. She is welcome and persona grata everywhere,—particularly, of course, in the diplomatic group. I thought that was the kind of question I should ask Mr. Robertson, whether you had had reports from people who had visited delegations on official visits sometimes, and who had made suggestions or observations sometimes, which I think the department would be interested in knowing.

Mr. ROBERTSON: Yes, I quite agree.

Mr. McCLEAVE: Is it not true that the honourable lady comes from Halifax, which would explain all these virtues?

Mr. REGIER: I wonder if I could not get verification of a matter which I think has caused some concern to many members of the house. We occasionally receive letters of complaint that this or that organization in Canada has attempted to sponsor people coming to Canada on a visit, possibly from behind the iron curtain, and the Department of External Affairs has not approved the proposal.

I wonder if the under secretary would care to elaborate on what kind of basis certain organizations in Canada are granted permission to sponsor people in Canada on visits, say, from behind the iron curtain especially, while other organizations are being denied. I think there is a lot of misunderstanding on this matter. What is the policy followed?

The VICE-CHAIRMAN: That is rather a broad question, is it not?

Mr. REGIER: I think that answer would be useful to members of the committee because it is members of the committee who have to answer these letters to their constituents.

The VICE-CHAIRMAN: I would imagine that every case would be taken separately. There would probably be no two cases alike.

Mr. ROBERTSON: I was just talking with Mr. Campbell. I have the impression that either the minister or the Prime Minister made a short statement in the house recently about the position of the government on the question raised by Mr. Regier. I have not the text of it handy. Basically, the government and the Department of External Affairs, which acts in this matter as an agent of government policy, have not encouraged or granted facilities for persons coming to Canada, sponsored by what are believed to be communist or communist front organizations. The same person on his own, or under other auspices, might get his visa without difficulty. But that is the position.

This is again the policy which has been followed in Canada for some years, and is, I think, very much like policies followed by the United Kingdom.

Mr. HERRIDGE: That means, Mr. Robertson, that if someone who had been originally sponsored, say, by the communist party of Canada from behind the iron curtain, was later sponsored by the Progressive Conservative Party, his chances of making the trip would be greater.

Mr. ROBERTSON: I would say if it was not sponsored by the communist party, their chances would be better.

Mr. REGIER: The reason I want this brought out—and I appreciate the answer very much—is, is it not true that Canadians wishing to visit behind the iron curtain are limited as to under whose auspices they may visit there? Also is it not true that they are limited as to where they may go behind the iron curtain, and that therefore Canadian policy is really basically a reciprocal one, in that we are doing very much the same thing as the regime in Moscow is doing?

Mr. ROBERTSON: There are probably points on which you can make a parallel or a comparison. I would not say it was simply a reciprocal policy.

Mr. REGIER: I did not mean it in that way; but I have had a number of people in my constituency who had not been behind the iron curtain since 1911

or 1912 or thereabouts, who have pleaded with me for assistance. They want to visit the homeland. However, they want to go to a certain area in their homeland, and they want to go on their own or under auspices of their own choice. The answer they receive time and again is always the same, that if they go under the auspices of a certain organization, they must buy their plane tickets and all the rest of it, and they must carefully submit their intention as to where they wish to visit. If it meets with the approval of the authorities behind the iron curtain, they can go there under those approved auspices. Otherwise, they may not go. Therefore, Canada actually is not so unfair in this regard, in that our Canadian government also retains to itself the right to say under whose auspices anyone can visit Canada. Am I not right in that overall statement?

Mr. ROBERTSON: Yes, I think substantially so.

Mr. CARDIN: May I ask a question? Does the Department of External Affairs have any means whereby it can help people behind the iron curtain to immigrate, when it is a question of uniting a family? For instance, I have a case in mind of a man who has been out of Bulgaria for about three years, and his wife and three daughters are still there. Of course, he is very anxious to get them out. Could the Department of External Affairs help them in a case like this?

Mr. ROBERTSON: Well, I would say first of all that the situation varies a great deal from country to country behind the iron curtain.

Mr. CARDIN: This is Bulgaria.

Mr. ROBERTSON: There is very little the department could do. We have not direct diplomatic relations with Bulgaria. We have no representation in Sophia; they have no representation here. One could, in an individual case, ask the United Kingdom minister to bring the facts of the situation to the attention of the local authorities. I do not know whether the policy of the Bulgarian government in respect of exit visas has altered much in recent years. There have been a few cases recently where permission has been granted for individuals to come out from the Soviet Union to join families here, whereas some years ago there were no cases. At the same time you cannot believe in that and give people encouragement.

Mr. CARDIN: Thank you.

Mr. JONES: I wonder if the department could supply us with figures of the number of External Affairs people abroad, as compared with the number of Trade and Commerce people abroad?

Mr. ROBERTSON: I think those figures could be produced very easily. We have the External Affairs figures here, but I doubt if we have the Trade and Commerce figures here.

Mr. JONES: Itemized by countries.

Mr. ROBERTSON: You will probably see the quarterly division of Canadian representation abroad which lists all the departmental figures.

The VICE-CHAIRMAN: I think the monthly magazine, *Trade*, contains that, put out by the Department of Trade and Commerce.

Mr. JONES: I wonder if it is possible to produce an itemized list by countries for purposes of comparison, or to indicate where such figures could be found?

Mr. STEWART: We have figures by post, and a total list of those abroad, of our own. I can get you the total of the continuing establishment from *Trade*, by looking at their blue book.

Mr. JONES: Well, rather than list them here and waste the time of the committee, perhaps they could be tabulated and produced later.

Mr. STEWART: Yes, we have our own by missions.

The VICE-CHAIRMAN: You can have it at the next meeting.

Mr. ROBERTSON: Yes, we can prepare that.

Mr. JONES: I suppose the ones in the blue book would not include some of the lower paid personnel?

Mr. STEWART: Yes, including locally engaged.

The VICE-CHAIRMAN: Any further questions?

Mr. SLOGAN: Mr. Under-Secretary, I would like to ask, when you visit a foreign country do they assume the responsibility for the safety of people or are we still under the safety of the Canadian government?

Mr. ROBERTSON: Are you thinking about private persons or our own staff?

Mr. SLOGAN: No, private persons.

Mr. ROBERTSON: Well, they are travelling on a Canadian passport which asks the local authority to treat the traveller properly and look out for his interests. If he meets with misadventure, and it looks as if he has been denied justice in trying to get recourse through the local processes of law, then the government might raise the question with the other government, and intercede. But in the ordinary course a Canadian abroad and a Canadian travelling in the United States is relying on the local authorities for protection, and he has to obey the local laws. I am not sure if I understood your question right.

Mr. SLOGAN: I was thinking particularly about those people who visit in the Soviet Union. I have asked some of the personnel about this and they have explained that sometimes it is a matter of safety, and so on. I assume they take responsibility for people travelling in their country, in the matter of safety.

Mr. ROBERTSON: Well, there is one general category of persons, naturalized Canadian subjects returning to the country of their birth. The case that arises most frequently is the conflict of the laws of notarial service. The country of birth may well assert against the individual in respect of notary service, and we would not be able to protect him against that claim if he went back to the country in which he was born.

Mr. MCGEE: Talking about local laws in certain countries; in South Africa, for instance, would the Canadian high commissioner there be excluded from the laws governing association with persons of other races?

Mr. ROBERTSON: I do not see any legal advisers with me this morning.

The VICE-CHAIRMAN: I would imagine, Mr. McGee, he would have to use a bit of his own diplomacy for his own benefit.

Any other questions? If not, it is approaching 11 o'clock. There will be a meeting of the Committee tomorrow morning at 9.30, I believe in room 356-S, which is on the Senate side. It is being held to accommodate several members of the committee who wished to question the minister. The minister will, I understand, be present tomorrow morning at this meeting to answer questions on different matters on which, I believe, they wished to question him. He will be present at that meeting. If there is nothing further to ask this morning, the meeting will be adjourned.

Mr. CRESTOHL: Would that be on item 75, Mr. Chairman?

The VICE-CHAIRMAN: Yes.

HOUSE OF COMMONS

Third Session—Twenty-fourth Parliament
1960

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 13

THURSDAY, APRIL 7, 1960

ESTIMATES 1960-61 OF THE DEPARTMENT OF
EXTERNAL AFFAIRS

WITNESS:

The Honourable Howard C. Green, Secretary of State for External Affairs.



THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1960

STANDING COMMITTEE ON EXTERNAL AFFAIRS

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Vice-Chairman: F. E. Lennard, Esq.
and Messrs.

Aitken (Miss),	Herridge,	Nesbitt,
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Cardin,	Lafrenière,	Pratt,
Cathers,	MacLellan,	Regier,
Crestohl,	Macquarrie,	Richard (<i>Ottawa</i>
Eudes,	Mandziuk,	<i>East</i>),
Fairfield,	Martin (<i>Essex East</i>),	Slogan,
Fleming (<i>Okanagan-</i>	McCleave,	Smith (<i>Calgary</i>
<i>Revelstoke</i>),	McGee,	<i>South</i>),
Garland,	McIntosh,	Valade,
Hellyer,	Montgomery,	Vivian—35.

Eric H. Jones,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, April 7, 1960.

(14)

The Standing Committee on External Affairs met at 9.30 o'clock a.m. this day, the Vice-Chairman, Mr. F. E. Lennard, presiding.

Members present: Miss Aitken and Messrs. Cardin, Crestohl, Hellyer, Jones, Kucherepa, Lafreniere, Lennard, Martin (*Essex East*), McCleave, McGee, McIntosh, Pearson, Regier, Richard (*Ottawa East*), Slogan and Vivian.—(17)

In attendance: Honourable Howard C. Green, Secretary of State for External Affairs; and Messrs. N. A. Robertson, Under-Secretary of State; E. W. T. Gill, Assistant Under-Secretary of State and H. B. Stewart, Head, Finance Division; all from the Department of External Affairs.

The Committee resumed discussion of the 1960-61 estimates of the Department of External Affairs.

Certain information requested previously was presented to the Committee.

Item 75—Departmental Administration, being under consideration, the Minister was further questioned on matters pertaining to External Affairs.

It was announced that the Minister would be absent from Ottawa for some time on official business, and the Committee concluded its questioning.

Mr. Martin (*Essex East*) suggested that Item 75 be not now passed so that the Minister might give a report to the Committee on his return. The Vice-Chairman agreed to bring this suggestion before the Subcommittee on Agenda and Procedure.

At 11.05 o'clock the Committee adjourned until Friday, April 8th at 9.30 o'clock a.m.

Clyde Lyons,
A/Clerk of the Committee.

EVIDENCE

THURSDAY, April 7, 1960.
9:30 a.m.

The VICE-CHAIRMAN: Well, gentlemen, we now have a quorum. So you will please come to order.

I might say before we proceed, that there were several questions asked at the last meeting. One was about the international Red Cross.

I have a reply here. Do you wish to have it included in today's proceedings? Agreed.

The reply reads as follows:

1. A report on "How international is the Red Cross at this time".

At the present time there are active Red Cross societies or similar organizations (such as the Red Crescent) in 84 independent countries. This includes 11 Iron Curtain countries: Albania, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, North Korea, North Vietnam, Red China, Roumania and the USSR. Yugoslavia also has an active organization.

2. "On what occasions, if any, did the countries behind the Iron Curtain require or call for assistance from the Red Cross".

It is difficult to give an all inclusive answer on relatively short notice. We have been able to determine that in at least two instances recently Iron Curtain countries have received Red Cross assistance. In 1956, during and following the revolution in Hungaria, Red Cross assistance on a large scale was made available in that country. Red Cross assistance has been provided on a fairly regular basis in Poland also.

Yugoslavia which is not, of course, an Iron Curtain country, also receives Red Cross assistance.

And there was another question asked as to the total cost of the new NATO headquarters building in Paris. It was 4 billion I think, that is 4,739,745,800 French francs, or 47,397,458 of the new or so-called heavy French francs. I think the whole article should be included in today's proceedings.

It reads as follows:

Mr. FLEMING (*Eglinton*): Yes. The total cost of the new NATO headquarters building in Paris is 4,739,745,800 French francs or 47,397,458 of the new or so-called heavy French francs. The equivalent in Canadian dollars is approximately 10 $\frac{3}{4}$ million. Canada has contributed to date \$605,002. With the item now appearing in the supplementary estimates, the total contribution toward the construction of the building will be \$653,145. Canada's proportion is 6.08 per cent of the total.

Now, we have the minister, Mr. Green, with us, as you see, and he is open for any questions which you may wish to ask him.

Mr. PEARSON: The minister in the house the other day expressed some disappointment over the fact that we have not had enough courage to ask some questions about the Commonwealth. Now I would like to remove his disappointment by asking him one or two questions about the Commonwealth.

He also stated in the house that if we stick to adherence of principles we would be all right in our relations within the Commonwealth.

Hon. HOWARD C. GREEN (*Secretary of State, for External Affairs*): What was that again, please?

Mr. PEARSON: You made reference in the house to adherence to principles in our relations inside the Commonwealth. I have the *Hansard* reference. It is page 1132. I am not quarrelling with you at all, but I wondered if the minister would indicate to us his view of the situation in South Africa as a Commonwealth problem, and what if anything, in his opinion, the government can do to make our own position, in this matter of non-discrimination and that sort of thing, known to the South African government at this time.

Mr. GREEN: I think that was dealt with very fully by the Prime Minister in different answers which he gave to questions asked on orders of the day.

As you know South Africa has a high commissioner here in Ottawa, and they keep very closely in touch with what goes on in Canada.

There is not any doubt that the South African government is advised right along as to the statements made in the house. And the Prime Minister himself has made some quite strong statements on the question of discrimination in the course of the answers he has given.

I do not think there is anything I could add to those answers.

Mr. PEARSON: May I ask the minister whether the South African high commissioner has been invited to call on the Prime Minister or on the minister to secure from him a statement of the views that had been expressed in parliament on this matter?

Mr. GREEN: I do not think it would be proper for me to say exactly what contacts there have been with the high commissioner for South Africa—rather with the acting high commissioner, or with any other high commissioner, or with any ambassador.

As you know, we have contacts in various ways. I would not want to go further than to say that there have been discussions.

Mr. PEARSON: The reason I ask the question is that I made a suggestion in the house that perhaps the high commissioner for South Africa might be instructed to give the views of the Canadian parliament to the South African government as expressed in parliament on this matter. But the Prime Minister thought this was not necessary, and that South Africa through the acting high commissioner here knew what was expressed.

So I ask the minister how that was done? Was it by means of a memorandum, or by what means?

Mr. GREEN: No, I do not think it would be wise for me to go into details as to just what talks were held, or how many talks were held. This is strictly routine procedure within the department.

I take it from your question that you think there should have been a diplomatic note or something of that kind sent to South Africa. But we did not think that Canada should follow that particular course.

As you know, this is an extremely difficult question. It is not a question which can be made any easier by taking formal action; yet at the same time I think there is not the slightest doubt that the views of the members of the Canadian parliament of all parties are thoroughly well known in South Africa.

Mr. HERRIDGE: I would like to ask the minister if he does not think there would be some advantage in the Prime Minister inviting the acting high commissioner for a discussion of these matters as a preliminary step, so that he might inform him personally—since the thing might be done better in person than in writing—of the attitude of the government of Canada as expressed through the house?

Mr. GREEN: These things do not have to be all done in a formal way. There are various ways in which you can communicate with the representatives of other countries. I do not think it is always wise to start making formal exchanges; and frankly, I do not think it gets any better results.

Mr. HERRIDGE: Your suggestion was that of a sort of semi-informal conversation as a result of invitations, and something which would not be publicized?

The VICE-CHAIRMAN: No one has said that that has not been done. It has been left vague, but no one has said that that has not already been done.

Mr. HERRIDGE: I quite appreciate that.

Mr. GREEN: If you read the Prime Minister's statement, you will find that these views were brought to the attention of the acting high commissioner for South Africa.

Mr. PEARSON: I think the Prime Minister indicated some time ago that it was not possible, in his opinion, to say what would be discussed at the forthcoming prime ministers' conference. I quite appreciate there is no formal agenda, or anything like that, and therefore it is not, I should think, very appropriate to ask whether any particular subject is going to be on an agenda which does not formally exist.

But I have noted since that Mr. Menzies and one or two other commonwealth prime ministers, have stated quite clearly that the question of South Africa would undoubtedly be under some form of discussion at this meeting in London.

I wonder whether the minister has anything to report on that, and whether it is a matter which will come up for discussion?

Mr. GREEN: I cannot say. As you have just said, there is no agenda for these meetings, so the field is wide open. I would not try to say just what would or what would not be discussed.

Mr. PEARSON: I understand the minister's position, and I also appreciate—as I am sure he does—the tremendous interest in this subject in other parts of the commonwealth, such as Asia and Africa. So it seems to me that it would be desirable at once to make it quite clear that this is a matter of discussion which could hardly be avoided, and that no one wishes to avoid it.

Mr. GREEN: There is a great interest in Canada as in the other parts of the Commonwealth, and in other parts of the world. But as I said before, I do not know what will be discussed at this conference. I would imagine there would be a very wide field of topics. The government is just as much interested in this subject as anybody else in Canada.

Mr. PEARSON: I am quite sure of that.

Mr. Nehru is reported as having said that at the Commonwealth prime ministers' meeting there would be no difficulty about the situation in South Africa being submitted in part at least. I would also recall a report that Mr. Nehru would submit a declaration of principles that should govern the commonwealth association: something it has been very difficult to do in the past, even if it were desirable. Has the minister any views on that kind of declaration?

Mr. GREEN: That I believe was merely a press report. We have no indication that there is any intention to bring in such a declaration.

Mr. CRESTOHL: How and by whom is the agenda made up?

The VICE-CHAIRMAN: There is no agenda.

Mr. GREEN: There is no agenda made up at all. Apparently they just pick on those questions which happen to be of the most interest to the various prime ministers. It is a very informal meeting.

Mr. CRESTOHL: Do any of the units of the commonwealth suggest any items they would wish to have discussed?

Mr. GREEN: They can discuss them. I think the only one here who has been at one of these conferences is the Leader of the Opposition. You had better ask him that question.

Mr. PEARSON: I am always glad to help the minister out. As the minister knows, anybody can suggest anything for discussion at a commonwealth prime ministers' meeting, or at any other kind of commonwealth meeting, without its necessarily going on a formal agenda. And in the past I think this has been done. And also in the past some members of the commonwealth have said that it was not desirable to proceed with the discussion. But it is done in a very informal way.

Mr. CARDIN: I wonder if the minister could inform the committee whether the government is considering accepting refugees from South Africa?

Mr. GREEN: There is no suggestion of any attempt by refugees to come here from South Africa. I presume it would be very difficult for refugees to get here. It has not come up in a practical way as yet.

Mr. CARDIN: The government would be ready to accept them?

Mr. GREEN: I think the general rule, and the way Canada works, is that we are very, very humane about allowing people to come to Canada under conditions of this kind.

Mr. MCGEE: May I ask for a reply to the question I asked yesterday concerning the availability of foreign aid funds, and particularly to the Colombo plan?

Mr. GREEN: I have a reply, Mr. McGee, which has been prepared by the department, concerning the procedures for supervising expenditures of Canadian economic aid funds. The reply reads as follows:

The various departments which are directly and indirectly concerned with the implementation of Canada's economic aid programs regard the effective and sound administration of funds and the supervision of expenditures as part of their permanent and normal operations. This responsibility is carried out in the following ways:

(1) During the planning of economic aid programs the Department of Finance is consulted at every stage in order to ensure that allocations to particular projects adhere to principles of sound financial administration. Furthermore that department is also consulted as each program is being carried forward, as a means of ensuring that the work conforms to these principles, and that in the implementation of various projects, expenditures are properly supervised and controlled.

We never get away from the Department of Finance.

(2) With respect to the precise expenditure of funds as authorized by the government, the Auditor General carries out his customary detailed scrutiny of the accounts of economic aid programs, and any irregularities are, of course, reported to the House of Commons in his annual report.

(3) During the implementation of projects the economic and technical assistance branch of the Department of Trade and Commerce, which is responsible for the administration of Canada's economic aid programs, continuously consults those departments of the government which are able to provide the technical knowledge and advice required to ensure that aid funds are spent as effectively as possible. Defence Construction Limited—

That corporation comes under the Department of Defence Production.

—the Canadian Commercial Corporation, the Departments of National Health and Welfare, Mines and Technical Surveys, Transport and

Fisheries are among those which are consulted. An officer of Defence Construction Limited is attached to the office of the Canadian high commissioner in Karachi, and he assists in the administration of Canadian aid not only to Pakistan but to other Colombo plan countries as well. In addition the branch also makes extensive use of competent Canadian consulting engineers firms, not only as a means of assessing the economic and technical feasibility of projects, but also to make sure that projects are being carried out as intended. Those consulting firms which are under contract to the government to supervise the construction of projects, have competent members of their staff located at the site. These firms submit monthly reports to the government and their technical people are brought back to Ottawa periodically in order to provide a detailed account of the way the work is progressing on each particular project.

(4) In addition to these measures for ensuring that projects are being properly administered, members of the staff of the Canadian mission in each country, as part of their normal duties, make periodic visits to projects in which Canada is participating in order to obtain firsthand accounts of how the work is progressing. In addition, officials from the Departments of External Affairs, Finance, Trade and Commerce and Defence Construction Limited also visit these countries on occasion for the same purpose.

(5) It is also a part of our normal practice of ensuring that projects which Canada is helping to finance are operated as effectively as possible by training people who can assume full responsibility for administering each project when it is completed, and has been turned over to the government of the country concerned. In addition Canada also sends out Canadian experts and technicians to assist in the early stages of these projects.

(6) When allocations of Canadian Colombo Plan funds have been made and the various capital projects which Canada has helped to finance are completed they are handed over to the country concerned, and it assumes full responsibility for the operations and maintenance of the project. After that stage it will, I think, be appreciated that it would be difficult and, indeed, undesirable for the Canadian government to continue to exercise any substantial amount of supervision or control over that particular project. It is assumed that once Canada and the responsible country decide to undertake a project, it will be carried through as quickly and efficiently as possible, and that recipient government will make suitable provision for the effective operation of the project when it is completed. On the basis of ten years of experience in the Colombo plan, there have been no substantial difficulties or disappointments in the way in which projects which Canada has helped to build have functioned.

(7) I should like to emphasize in that respect that each of the recipient governments have provided the local funds, resources and manpower for the various projects in which Canada has participated and are, of course, deeply interested that these projects are used effectively for the purpose intended. I think we should not underestimate the magnitude of the resources which these countries have put into these projects and accordingly the degree of responsibility they feel for ensuring that they are properly administered.

(8) In the light of these various procedures which are employed by the Canadian government and, I presume, by the government of the country concerned, it will, I think, be clear that there are adequate means for ensuring that Canadian economic aid funds are properly and

effectively spent, and, accordingly, that the imposition of additional machinery for supervising expenditures would be both unnecessary and financially wasteful. At the same time I can assure the committee that we are continually conscious of the need to revise our procedures to meet new conditions.

(9) The Colombo plan has rightfully earned the reputation for being an effective means for providing economic aid to the member countries in southeast Asia and the Canadian government and all the various other governments concerned are deeply interested in ensuring that this reputation remains unmarked by any misuse of funds.

Mr. McGEE: I am very grateful to the minister for his most comprehensive statement in that regard. I think from it we can draw the conclusion that the expenditure of these funds is supervised every bit as carefully as normal government funds that are expended in Canada.

Mr. GREEN: I understand that to be the case.

Mr. MARTIN (*Essex East*): I would like to ask the minister some questions based on the reported discussions which are taking place now, and, as the minister has said, one of the most important questions concerning the nations is that of disarmament.

First of all, may I ask the minister if it is his intention to attend the foreign ministers' meeting prior to the summit?

Mr. GREEN: There is to be a meeting of the foreign ministers of the five western nations which are members of the 10-nation disarmament committee.

Mr. MARTIN (*Essex East*): That is the meeting I refer to.

Mr. GREEN: It will be held at Washington, next Wednesday, and I intend to be there.

Mr. MARTIN (*Essex East*): In view of that report, is it possible for the minister to give us his views with regard to disarmament developments, because this might be the last opportunity before that meeting? May I ask you if Jules Moch, when he spoke yesterday, or the day before, before the 10-power commission, spoke for Canada?

Mr. GREEN: Yes, he spoke for the five western powers.

Mr. MARTIN (*Essex East*): You say he spoke for the five western powers. The minister will recall that after chairman Khrushchev made his proposal for complete disarmament to be effective within four years, he made a second proposal for partial disarmament to be effective with a longer period of basis.

Mr. GREEN: I think that your last qualification is not accurate about premier Khrushchev proposing a partial disarmament plan to be effective over a longer period.

Mr. MARTIN (*Essex East*): Yes. One proposal was for complete disarmament, and the other was for partial disarmament. There was one to be effective within four years, and the other, the partial plan, had no time limit attached. I think I am right in that; but that is not the point of the question.

The question which I asked the minister is this: at the time when chairman Khrushchev made his proposal, the minister was quoted as having said at the United Nations that Canada would welcome this proposal and would study it carefully and that it would provide a basis for any discussion that would ensue.

Mr. GREEN: No, I do not think I said that.

Mr. MARTIN (*Essex East*): In fairness to the minister I must say that I regret I have been looking for the text of what he said and have not been able to find it in the time at my disposal; and I would not want to be unfair to the minister. If he says he did not say that—

Mr. GREEN: I am quite sure I did not say, at any time, Premier Khrushchev's plan would be the basis for negotiations.

Mr. MARTIN (*Essex East*): Would be "a" basis for discussion. Certainly that was the view taken by others in the western world. If the minister says that he did not say that, then I must accept that.

Mr. GREEN: You said a minute ago "the" basis. Premier Khrushchev's plan would naturally be one of the plans considered. But if you remember, Mr. Selwyn Lloyd also proposed a plan.

Mr. MARTIN (*Essex East*): I modify it and say now, "as 'a' basis for discussion." That is what I understood the minister to say in the first instance. Do I understand the Canadian position now is that we do not take the Soviet proposal of September 14 as a basis for discussion?

Mr. GREEN: As the one basis.

Mr. MARTIN (*Essex East*): Mr. Moch said that he rejected it entirely and that it could not, under any circumstances, be regarded as a basis for discussion.

Mr. GREEN: I think you will find Mr. Moch said it would not be accepted as "the" basis for discussion. As I understand it, the Soviet representative has been trying to insist the discussion should be based on the Khrushchev plan alone. That is the contention which the western powers have rejected.

Mr. MARTIN (*Essex East*): I do not think there is much point in our arguing whether or not that was said. All I can say is that Mr. Moch was reported in the *New York Times*, which I have seen, as having said that the west rejected the Soviet proposal as the basis for discussion.

Mr. GREEN: The one basis; there is a very important distinction.

Mr. MARTIN (*Essex East*): My reading of the *New York Times*—which I do not have now—is not as the minister postulates.

Mr. GREEN: You should believe me rather than the *New York Times*.

Mr. MARTIN (*Essex East*): I would, of course, accept the minister's words in those matters where I thought that he was particularly and overly competent. And I am not suggesting that he is not competent in this field by any means.

Does the minister feel, in the light of the discussions that have taken place in the ten-power committee, that the west has given up any hope of the Soviet Union making any real effort towards considering the western proposals, the three-stage, step-by-step proposals?

Mr. GREEN: I should point out that previously the Soviet delegates had taken exactly the same position with regard to the western plan, and they would not adopt it as a basis for negotiations. I think there is great hope. You must remember these ten representatives are in the course of negotiating, and there is a great deal of prying and prodding and finding out just what the other side will or will not do. The very fact that there very likely will be an agreement with regard to nuclear tests—

Mr. MARTIN (*Essex East*): But that is not part of the discussion.

Mr. GREEN: —between the United Kingdom, the United States and the Soviet Union—

Mr. MARTIN (*Essex East*): But that is not part of the discussion.

Mr. GREEN: Probably also with France becoming a party, if you read the statement made by President De Gaulle yesterday. The very fact this is imminent, I think, brings great hope into the meetings of the ten-member disarmament committee.

Another very important factor is that within about five weeks there is to be an east-west summit meeting. Actually the foreign ministers' meeting

next week in Washington has not anything to do with the ten-member disarmament committee at all, but it has to do with the question of the topic of disarmament at the east-west summit meeting. These two factors, I think, justify us in having considerable hope.

Mr. MARTIN (*Essex East*): The fact the minister is optimistic is a very commendable thing; and he has been optimistic on this subject for some months now. But it seems to me that we have reached a stage where we ought to associate our optimism with some realism, and I suggest to the minister that thus far—and may I say, by way of parenthesis, of course the nuclear discussions to which the minister properly attaches great hope are not part of the ten-power disarmament discussion.

Mr. GREEN: No, but they are very significant and will break the ice.

Mr. MARTIN (*Essex East*): I agree with that, but may I say to the minister—because we want to get his view on this important matter—that we need more than optimism now and that the discussions thus far, as reported in the press—and they are pretty completely reported, because under the rules of the ten-power meeting I understand each country is free to give reports on the proceedings of the meetings to the press, and the press has been pretty detailed in this regard.

I say that up to now there is not any evidence to warrant the minister's optimism. I was wondering, in view of the fact there are to be perhaps only four more meetings—so we were told in yesterday's *New York Times*—before the foreign ministers' meeting in Washington—I was wondering, in view of the assurance made by the minister some weeks ago in the house that Canada was now going to pursue an independent role in these matters, if the time had not come in the ten-power disarmament committee when this independent role ought to be vigorously assumed to see if there could not be greater progress made?

Mr. GREEN: You should not be so pessimistic, Mr. Martin.

Mr. MARTIN (*Essex East*): I am realistic.

Mr. GREEN: I regret very much seeing you so discouraged about this situation. The fact is there have been far fewer harsh words than is customary in these meetings between the eastern and the western countries, and both sides have been very careful to make it clear they are really trying to reach an agreement. Premier Khrushchev has been visiting in Paris and other places around the world; and he has been repeating this statement over and over again that he wants to reach agreement on disarmament. President De Gaulle said the same thing yesterday. All these leaders are talking in that way. The ten-member committee has only been sitting for a little over three weeks.

Mr. MARTIN (*Essex East*): It has had sixteen meetings.

Mr. GREEN: This is a vast subject, and there are many different angles involved. To say that the time has come now to say the situation is hopeless and Canada must do something different, I think, is not being very realistic.

Mr. MARTIN (*Essex East*): I am glad the minister is now inclined to emphasize the desirability of being realistic. No one has suggested the situation is hopeless, but I am suggesting—in view of the minister's earlier statements about the new role which he envisaged Canada would take in foreign policy—there has not been any evidence yet of this independent role being taken by Canada in the ten-power discussions, other than the statement made by the minister in Hamilton on Saturday night, when he said—or is reported as having said—that there should be some participation by the Secretary General of the United Nations in the Geneva talks.

Mr. GREEN: I am very glad you brought that up, Mr. Martin. I think it would be helpful if arrangements could be made for Mr. Hammarskjold to put before the committee his views on the best way in which the United Nations could be fitted into the picture.

I do not know whether I have made my position clear or not, but I have tried very hard to do that. Throughout Canada has taken the lead in preparations for the meeting of the ten-power disarmament committee, to bring about a situation where the United Nations is kept fully in the picture; and it is because of the stand taken by Canada that the United Nations is referred to in the western plan to the extent which it is. I believe that we are more concerned about this particular feature than any of the other four western negotiating powers. Certainly we will be doing our best to see that the United Nations is not by-passed or overlooked. For example, should it be agreed there will be an international disarmament organization—which, as you know, is one of the proposals contained in the western plan—we do not believe that should be set up as a rival to the United Nations, because the main job of the United Nations is to bring about disarmament. This is one of the things that Canada is watching very carefully.

Mr. MARTIN (*Essex East*): To be specific, when you mentioned the role of the Secretary General, did you mean that he should intervene at this stage of the discussions?

Mr. GREEN: I think it would be very helpful if the Secretary General were invited to give his views to the negotiators.

Mr. MARTIN (*Essex East*): At this stage of the discussions? That is my question.

Mr. GREEN: Not necessarily at once, but certainly at the appropriate time.

Mr. PEARSON: The minister is reported as having said in Hamilton also—and I quote from the report:

I believe we...

—that is Canada—

... can make a greater contribution to world affairs than any other country in the next ten years.

How would the minister apply that to the current disarmament talks, quite apart from applying it generally?

Mr. GREEN: The very fact that Canada is one of the five western nations on the disarmament committee puts us in a position to make this contribution. We have already been making a great contribution to the work of the ten-power committee and in the preparations carried on by the five western members. We will be making a contribution on the question of disarmament in connection with the east-west summit meeting.

Mr. PEARSON: I am quite sure that Canada is making a valuable contribution, but the minister went a little further and said:

... we can make a greater contribution ... than any other country.

Mr. GREEN: I believe that is so, or I would not have said it.

Mr. PEARSON: In disarmament—a greater contribution than any other country?

Mr. GREEN: Yes, generally in world affairs.

Mr. PEARSON: I hope the minister is right. It is quite a target to shoot at.

Mr. HERRIDGE: It is a good target.

Mr. PEARSON: Yes, it is a good target. I hope the minister is justified in his optimism, and it is a good thing to be optimistic as well as realistic about these matters.

The minister said that these meetings in Geneva had been conducted in a relatively friendly atmosphere. I think that is true, but I would remind him that the even smaller committee in which Canada was represented—the sub-committee of the five powers—met for about five years without any harsh words being said, but also without any real progress being made.

Mr. GREEN: I quite realize the failures there have been, but I think the whole situation has been changed by the hydrogen bomb and the possibility of it wiping out civilization. If the leaders of the western world have not the brains to see that fact, then there may eventually be no civilization.

Mr. MARTIN (*Essex East*): I do not think anyone questions the minister's sincerity in this matter. We all recognize that.

What we are seeking to elicit from the minister here is that there is evidence that the Canadian delegation in the ten-power committee is living up to the declaration of the independent position that the minister spoke about in the house some time ago, and all of it leading towards a solution of the disarmament problem.

For instance, is the minister in a position to say that the Canadian delegation is going to revive the discussion of a United Nations police force as a necessary condition to a disarmament scheme?

Mr. GREEN: You must remember that there are five western nations facing five eastern nations. It is highly desirable that the five western nations should work very closely together.

Mind you, the time may come when one or more of the western nations may have to take a separate stand; but it is highly desirable they work out a common approach. For one thing, it is perfectly certain the five eastern nations are going to have a common approach, so it is a team effort.

Canada, of course, is very interested in the methods by which a disarmament agreement would be carried out. I would think that we are in a better position than most other countries to participate very actively in that particular work. We have this possibility very much in mind.

As you know, there is a battalion of the regular forces earmarked for service with United Nations should the Canadian government decide it would be properly allocated for a particular job. It may be there could be some extension of that, or that there could be some provision made for observing. In the Defence Department and in the External Affairs Department we have far more men who have been trained in doing observation work under the United Nations than any other country. I would think that Canada could render a very useful service of this type, in carrying out any disarmament agreement which is reached.

Mr. PEARSON: Mr. Chairman, may I tell the minister how much I agree with what he has just said, that any independent approach to be made by Canada—or, indeed, any one of the five western countries—has to be qualified by the necessity of maintaining, if possible, a common approach, a common front and unity. Independent approaches are all right, but as long as we belong to this coalition it does require that qualification.

I wonder if I could ask the minister a question or two about nuclear tests. As he said, if we can succeed in reaching an agreement on this, surely it will have a good effect on the whole disarmament question.

Mr. HERRIDGE: I agree.

Mr. PEARSON: The Russians have put forward a proposal for the abolition of nuclear tests, which should commend itself to the minister, because I gather the government's position is the ending of tests, period. The Russians have not gone quite that far in their proposal, but when Mr. Macmillan and Mr. Eisenhower met they apparently gave a qualified acceptance to the Russians' recent proposal. Does the minister feel that this is likely now to result in a satisfactory agreement being reached on this matter?

Mr. GREEN: I am hoping that agreement can be reached. Mind you, the British and American proposal included the carrying on of further tests, to acquire certain scientific knowledge. This does not change the Canadian position that there should not be any more.

Mr. PEARSON: Canada's position is not qualified.

Mr. GREEN: We have a problem because we happen to be in an area where there would be more fall-out.

Mr. PEARSON: It is not a problem of making up your mind, but it is, no tests, period without any regard to control or inspection.

Russia's acceptance of the scheme is qualified, as I see it, in two ways: there has not yet been agreement with Russia over the extent of inspection and control in regard to those explosions, where that is agreed upon; and there is no agreement on the extent of moratorium on the smaller underground explosions. They are very important points, and if they could be agreed upon there should be no obstacle in the way of an agreement on nuclear tests.

Mr. GREEN: With regard to the latter part, that is the question of moratorium on the smaller underground explosions, I think the difference is the period for which that moratorium should be in existence: Russia suggest four years, and the United States, one.

With regard to the difference of view on inspection, I do not know just how serious that difference is. There is no indication it is very serious.

Mr. MARTIN (*Essex East*): As I understand it, the one-year limit is only because of the constitutional position in the United States of the President. The United States is prepared to extend it beyond the year, but for that fact. Is that not the situation?

Mr. GREEN: That is the statement made by President Eisenhower. The Americans and British have not agreed to the four-year moratorium.

Mr. MARTIN (*Essex East*): But the President has indicated it could be for a longer period than one year, but he could not go beyond that because there will be a new president.

Mr. GREEN: There has already been a very effective moratorium for 18 months, and this position too is quite hopeful.

Mr. MARTIN (*Essex East*): There is another aspect of this business. Of course, I agree with what Mr. Pearson has said, that in Canada the position that is taken must always be qualified by collective interests and responsibility, but as the minister said in Hamilton, Canada does have a unique position of taking certain initiative, and that was a consideration in his policy.

Mr. GREEN: Incidentally, we also took the initiative in getting this disarmament committee sitting at an early date. Some of our partners on the western side thought it should not meet till after the east-west summit meeting.

Mr. MARTIN (*Essex East*): That is right, and I think the minister is to be commended for that. But the minister did make an interesting statement in Hamilton, and perhaps he will not mind if I come back to that speech, because in the elucidation of foreign policy it possibly will be a very valuable primer for many people.

Mr. PEARSON: It would have been more valuable if there had been a text.

Mr. GREEN: It would not have been such a good speech though.

Mr. MARTIN (*Essex East*): I asked the minister a question in the house about one aspect of this, and he did not give me the kind of reply that I really hoped to receive.

Mr. GREEN: I know you did not expect that.

Mr. MARTIN (*Essex East*): The minister says I did not expect it, but this morning I really do, in committee where there are no difficulties such as rules and so on, or interventions of the speaker. We have a very benevolent chairman who is looking at me so smilingly, and I hope we can get the answer now.

The minister said in that statement—and I quote from the *Hamilton Spectator*, a very reputable newspaper:

There is a temptation on the part of the United States, Britain, France and more recently Germany to get into a corner and talk things over—but when we catch them at it and complain they agree we should have been consulted.

The minister mentioned in that same speech, as an instance of that, the question of possible German bases in Spain, but that would only concern Germany.

Mr. GREEN: This concerned the United States, the United Kingdom and France because they all knew about it.

Mr. MARTIN (*Essex East*): Is that what the minister was referring to?

Mr. GREEN: That was a very good example.

Mr. MARTIN (*Essex East*): What were the other examples from which Canada—as an important middle power, as the minister said—has been excluded?

Mr. GREEN: Last fall there was another good example. The United Kingdom, the United States and France were disagreeing over various questions, and they apparently did not want to bring up these questions in the NATO Council for fear they might get into the press or be aired. They presumably thought it was much better not to have that happen. The press was speculating, and speculating pretty accurately, on all the differences of opinion, and we took the position in the NATO council, in October, that this should be discussed in the NATO council and not just talked over between the three nations in some other place. That was another example.

I suppose it is human nature that where the big nations have an awkward question they would like to go into a huddle and talk it over among themselves rather than keep it in the NATO Council; and this, we think, is a very bad business.

Mr. HERRIDGE: This would be an indication of Canada's independent approach?

Mr. GREEN: I am having an awful time convincing Mr. Martin that we are independent.

Mr. MARTIN (*Essex East*): I am not so much concerned about independence, and the minister said that; but I am concerned in making a constructive contribution. I think the way of doing that is not only by being independent but also by being what the minister said, on occasion, he did not want to be, and that is "an honest broker".

On the question of observation—

Mr. GREEN: I do not think I went that far.

Mr. MARTIN (*Essex East*): You said in the house you could not agree—

Mr. GREEN: I did not say it would not be suitable for Canada, on occasion, to be an honest broker, but what I thought it was time the Canadian people got rid of the idea their whole role in foreign affairs was to be a middleman.

Mr. PEARSON: On page 1139 of *Hansard* the minister is reported as saying:

Today it would be extremely hard to find two nations between which Canada could be a go-between.

Mr. GREEN: That is right.

Mr. MARTIN (*Essex East*): Does the minister not think that in the recent discussions between the Prime Minister of the United Kingdom and the President of the United States, that might have been an occasion where, in view of Canada's definite views on the cessation of nuclear tests, we might have played some part?

Mr. GREEN: I think the Prime Minister of the United Kingdom and the President of the United States are so close together that it would be very hard for anybody to get between them.

Mr. MARTIN (*Essex East*): There is one phase in which the minister has shown some independence. He said in Hamilton that he was very dissatisfied with the actions of the secretariat in the United Nations in the contacts it made with regard to the sampling of radioactive dust pursuant to the initiative taken by Canada at the last assembly.

Would the minister care to make some comment about that?

Mr. GREEN: I did not say I was very dissatisfied; I said I was worried.

Mr. MARTIN (*Essex East*): That is a good synonym.

Mr. GREEN: And I was worried because it seems to me that the United Nations has got snarled up in a bit of red tape on this question and has not been pushing it as hard as the nations wanted it pushed.

Mr. MARTIN (*Essex East*): Well, what has the minister done about that? Have you—

Mr. GREEN: We have been doing all that we can. As a matter of fact, Mr. Nesbitt is down there today, or was there yesterday. And our permanent representative has been doing all he can. But there is a good deal of bureaucracy in United Nations, just as there is in national governments. Sometimes the wheels turn very slowly.

Mr. PEARSON: I would like to ask a question about NATO, if no one else has any questions, Mr. Chairman.

The VICE-CHAIRMAN: Mr. Pearson.

Mr. PEARSON: The minister, in the house, urged me to stop attacking NATO, and he stressed its accomplishments; so I must say I was relieved and pleased to read that the minister was pointing out some of the weaknesses of NATO himself in Hamilton. Surely that is what we have to do?

You have a headline, "Green says big NATO powers hogging show".

Mr. GREEN: I did not write that headline.

Mr. PEARSON: We are all the victims of headlines at times.

Mr. GREEN: It went a good deal further than the article, you will have noticed.

Mr. PEARSON: The minister also said, in regard to NATO—and I think this is a very critical observation, and perhaps he would elaborate on it—that Canada and the United States are the only two NATO countries that have carried out their commitments.

Mr. GREEN: Well, that is true.

Mr. PEARSON: We may have our own views about that. But if it is true, it does not reflect very well on NATO, if the only two countries that have carried out their commitments are Canada and the United States. Surely that cannot be accurate in every respect?

Mr. GREEN: In full.

Mr. PEARSON: Does the minister suggest that Canada and the United States have carried out their commitments in full in a way that nobody else has in NATO?

Mr. GREEN: Yes.

Mr. PEARSON: In what respect are we so much better than the others in NATO?

Mr. GREEN: I mean, in the military field.

Mr. PEARSON: The minister must surely know that the defence programs are submitted to NATO each year at stated times. Programs are worked out well in advance by the governments concerned, and they include those things which the governments concerned have agreed to do.

Surely that has some bearing on the statement that we and the United States have carried out our commitments, because there are a great many commitments undertaken that we do not bring inside NATO at all. I am thinking of North American defence. To say that we exclude those from our commitments—

Mr. GREEN: In fact, that is part of NATO; the defence of North America is part of NATO responsibility.

Mr. PEARSON: Perhaps I can express my own view, that I do not think Canada and the United States are the only countries carrying out their commitments in NATO.

Mr. GREEN: In full.

Mr. PEARSON: In full.

Mr. GREEN: Well, I hope I am wrong about that, but I am afraid I am not.

Mr. PEARSON: If you are correct, then one cannot be too encouraged about the future of NATO.

Mr. GREEN: I would not say that, because there can be many variations. Another country may be not quite fulfilling its requirements. It is a matter of degree; it is not a matter that they are not doing a great deal. They are all doing a great deal; but, as I say, my understanding is that Canada and the United States are the only two countries that are living up fully to their commitments.

Mr. PEARSON: The minister has more information than I have, but my information is that Turkey, Denmark, Holland, Belgium and Norway, and the other countries, have carried out their commitments to NATO in the same way that I hope we have. But perhaps the minister has information that I have not got. I always thought the Turks had been particularly loyal to their obligations to NATO.

Mr. GREEN: They have been very good and, mind you, there are very good reasons put forward by the other members.

Mr. PEARSON: I wonder if I could ask the minister about his views on the necessity, the desirability and the possibility of strengthening NATO in all fields, not only military, based on a statement made by the secretary general, who said not so long ago that the concept of a military Atlantic alliance restricted to a specific geographic area adequate in 1949 is no longer adequate; a common policy, probably of world wide scope, must be added to it, and at once.

Mr. GREEN: Well, that is a very general statement; I would not care to comment on that.

Mr. HERRIDGE: What was the result of the efforts made by three people known as the three wise men some years ago in this direction?

Mr. GREEN: Well, they were supposed to solve all these questions. They did very good work.

Mr. PEARSON: That committee was not supposed to solve any questions. That committee was supposed to put forward the solutions, which the minister and his colleagues have been expected to solve in the last three years.

Would the minister tell us what progress has been made in carrying out the recommendations of that report?

Mr. MARTIN (*Essex East*): Would the minister permit me to point out one of the observations made by the three wise men on the very important point that irritated the minister in Hamilton, the question of consultation.

Mr. GREEN: Yes, there has been progress made on that.

Mr. MARTIN (*Essex East*): Would you allow me to read two sentences from that report which I think the minister would want to carry close to his heart. They are:

Consultation means discussion of problems collectively in the early stages of policy formation and before national positions have become fixed. At best, this will result in collective decisions on matters of common interest affecting the alliance. At least, it will ensure that no action is taken by one member without a knowledge of the views of the others.

I take it that is the Canadian position?

Mr. GREEN: Yes, that was very helpful.

Mr. MARTIN (*Essex East*): The minister, a moment ago was saying, in answer to a question by the leader of the opposition, that NORAD was a part of NATO. Of course, that was disputed: certainly I would dispute that.

Will the minister deny that the United States right at the beginning insisted that NORAD should not be part of NATO? That was the basis of the contention which the leader of the opposition, and others in the house, made on this matter a year and a half ago.

Mr. GREEN: I do not think it would help very much to get into a long wrangle about whether or not NORAD is a part of NATO; and I do not think the last government was in any different position than the present government, with regard to NORAD.

Mr. MARTIN (*Essex East*): I think it is in a very much different position.

Mr. GREEN: I think you had the whole deal set up before we took over.

Mr. PEARSON: That does not happen to be accurate.

Mr. GREEN: It is awfully close to being accurate.

Mr. PEARSON: It is not even close to being accurate.

Mr. MARTIN (*Essex East*): I suggest to the minister that if we want to pursue this double course of independence, that now, as an honest broker—if the minister changes his position—we have got to look at the implications of NORAD in so far as Canada's independent position is concerned.

Mr. GREEN: Do you think, Mr. Martin, that Canada should not be working with the United States to provide the defence of this continent?

Mr. MARTIN (*Essex East*): No, certainly I think we should do everything we can for continental defence; but I think we should do it through the ultimate responsibility of NATO, through a collective responsibility. If we are going to turn over our sovereignty, we should not do it to the United States; we should do it by a collective move; that is the position I take.

Mr. GREEN: As you know, there is a final accounting to NATO with regard to the defence of North America.

Mr. MARTIN (*Essex East*): That is not part of NATO, and I do not think we should kid ourselves that it is.

Mr. PEARSON: Would the minister agree, or disagree, with this statement, that every effort should be made to bring North American defence within NATO, in the same way as western European defence is brought in; and if that can-

not be done because of objections by the United States, and perhaps others, then we should re-examine our whole attitude towards North American defence in its present establishment?

Mr. GREEN: I would not care to comment on that.

Mr. JONES: Is there a ministerial meeting planned in NATO council before the summer?

Mr. GREEN: Yes, there is a meeting in Istanbul on May 2.

Mr. HERRIDGE: Mr. Chairman, I have two questions.

Mr. GREEN: And there will be reports back to the NATO council by one or more of the three western foreign ministers taking part in the summit meeting.

Mr. JONES: And will that be to a ministerial meeting also?

Mr. GREEN: No, I think that will be to the permanent council of NATO.

Mr. McINTOSH: Mr. Chairman, I wonder if the minister would add any qualification to his statement that the United States and Canada were the only two countries that had fully lived up to their commitments to NATO, in that the other nations are actually in continental Europe, and so on, and are right on the ground?

Is it easier for Canada and the United States to live up to their commitments than the other continental countries?

Mr. GREEN: I really cannot answer that. Our responsibility is to live up to our commitments, to our own commitments; as I pointed out, in answer to Mr. Pearson or Mr. Martin, the other countries which are not entirely living up to their commitments have quite good reasons, which are brought forward, to justify their position.

Mr. McINTOSH: In other words, you say that it is easier for Canada and the United States to live up to their commitments than it is for the other countries?

Mr. GREEN: No, I would not go that far. I think they should all live up to their commitments.

Mr. PEARSON: Is it not the fact that we and the United States decide in advance what our commitments to NATO are going to be?

Mr. GREEN: We decide?

Mr. PEARSON: We decide in advance what our commitments to NATO are going to be, and we have already agreed, before we submit them to NATO, that they are the kind of commitments that we can live up to? We decide that, do we not?

Mr. GREEN: Well, I presume the other countries decide that, too, before they make a commitment.

Mr. PEARSON: Does the living up to our commitments, in the way which has been mentioned by the minister, mean that we accept the position that those commitments should not be altered—I am thinking, as an example, of the air division—without the approval of NATO?

Mr. GREEN: No, NATO is supposed to agree to any alteration.

Mr. HERRIDGE: Mr. Chairman, I have two questions. First I want to revert back to the Colombo plan, because somebody else started speaking before I had an opportunity to ask this question.

In addition to reports from the officials administering the Colombo plan in various countries, does the department receive information from governments or organizations within those countries, or individuals, that express their opinions with respect to this assistance?

Mr. GREEN: There is the closest cooperation between Canada and the recipient governments. I do not know about cooperation with private persons or—

Mr. HERRIDGE: I wondered, for private organizations—commercial organizations.

Mr. GREEN: What do you have in mind?

Mr. HERRIDGE: The rotary club in India, then—I will put it that way.

Mr. GREEN: We do not belong to the rotary club.

Mr. HERRIDGE: I am quite aware of that, sir; but I was using that as an illustration of whether some local groups or individuals had expressed their opinions to the department.

Mr. GREEN: Our responsibility is to work as closely as possible with the government; for example, the government of India, the government of Pakistan, or the government of Malaya. I presume that in the course of this work there are contacts with different bodies in those countries, and I think that almost exclusively they are friendly and very favourable contacts.

Mr. PEARSON: Mr. Herridge ought to know that the minister belongs to the optimists.

Mr. GREEN: No, I am a lion.

Mr. MARTIN (*Essex East*): Hear those lions roar!

Mr. GREEN: Hear, hear.

Mr. HERRIDGE: At one of the previous meetings I think the minister mentioned something about the government giving consideration, or reviewing the question of Canada becoming a member of the organization of American states.

In that connection, has the government received any representations from any other governments, or commercial organizations, or ethnic groups, or other groups urging Canada to be a member of the organization of American states?

Mr. GREEN: No formal representations. When the foreign minister of Brazil was here a few weeks ago, he expressed great keenness to have Canada join the organization of American states; and various other representatives of Latin American countries have expressed the same opinion.

I do not know of anything from organizations, apart from governments. The government of Venezuela has also been very anxious to have Canada join.

Mr. HERRIDGE: No representations from organizations of any type within Canada?

Mr. GREEN: I could not give a categorical answer to that. We get letters all the time about various subjects, and there have been letters about this. But these would be merely expressions of opinion.

Mr. MARTIN (*Essex East*): The minister is leaving for South America on what date—does he know?

Mr. GREEN: It is not definite, but I hope to leave on May 21.

Mr. MARTIN (*Essex East*): Will the minister be making a statement at that time about the results of the consideration which he has been giving to participation in the organization of American states, or in the Pan-American union, whichever it is—or both?

Mr. GREEN: No. We are not considering the whole question of our relationship with Latin America, in the hope that the ties can be strengthened. This is not a matter of overnight decision, or anything of that kind.

Mr. MARTIN (*Essex East*): No, no.

Mr. GREEN: It is simply surveying the whole picture in order to find out what can best be done by Canada.

Mr. MARTIN (*Essex East*): Except that the minister's predecessor did say on one occasion that he, too, was giving consideration to participation, and I just do not know how long a time one must allow, to come within the compass of the word "consideration".

Mr. GREEN: If you will ask my predecessors' predecessor, perhaps he can tell you how long it takes to consider.

Mr. PEARSON: Mr. Martin, I was giving active consideration.

Mr. MARTIN (*Essex East*): I was referring to the late Mr. Sidney Smith, not Mr. Pearson.

Mr. GREEN: I was referring to Mr. Pearson.

Mr. MARTIN (*Essex East*): I know; but Mr. Smith said he was giving consideration to the participation in the organization of American states; and when the minister spoke in the committee here some weeks ago, I formed the definite impression that there was a great likelihood of Canadian participation, and I wondered if any formula had been arrived at.

Mr. GREEN: No, I could not make a statement to that effect.

Mr. MARTIN (*Essex East*): I would not be surprised if the minister made a statement some time.

Mr. PEARSON: Perhaps you will be carried away by the carnival spirit and will join everything.

Mr. GREEN: You are a pretty good joiner yourself.

Mr. JONES: To revert back to the Colombo type of operation: there has been a very great deal of talk in the last few years about the necessity of winning over African sympathies towards the west.

Has there been discussion, or consideration, by any nation, of which the minister is aware, as to the implementation and the feasibility of a Colombo type operation for Africa?

I realize that there are great difficulties in collecting opinion on this, as there is in the Colombo plan itself.

Mr. GREEN: As you know, Mr. Jones, aid has been given to Commonwealth countries in Africa. Of course, the start with regard to the Colombo plan was made with Commonwealth countries. This is a subject which is under active consideration by the department; but I do not know, as yet, just what will evolve.

Mr. JONES: Is it being considered also in other countries?

Mr. GREEN: Pardon?

Mr. JONES: Is it being considered also in other countries, such as the United Kingdom, the United States and the African countries?

Mr. GREEN: Not in conjunction with Canada. That is, no group of countries is considering this; but I think many of them are considering it independently. Also, in NATO there is a great deal of talk about aid to under-developed countries.

Mr. PEARSON: Does the minister not feel that there would be no more important initiative in this area at the present time than Mr. Jones has mentioned; something like—if I may call it that—a Marshall plan for Africa? The minister no doubt is aware that various people have been putting that forward on behalf of various countries, notably, I think, Sir Oliver Franks of Great Britain; and at this particular time, when there is so much turmoil and unrest there, any direction and help might be so important. If the western countries could get together on that, would it not be a most valuable initiative?

Mr. GREEN: Yes, I think it would, Mr. Pearson. We are very much interested in doing what we can to help in Africa.

Mr. REGIER: A little while ago the minister, spoke on the possible desirability at a later date, if not now, of having the secretary of the United Nations at the ten-member disarmament committee meetings.

The minister also emphasized the need, as there is a common front among the eastern half of that committee, for maintaining a common approach for as long as possible among the five western nations.

In most arbitration cases, where there are two opposition areas of interest, is it not common to have a third influence; and in this connection, has any consideration been given, or is any consideration now being given to the possibility of enlarging the ten-member disarmament committee, say, for example, to bring in three, four or five of the non-committed nations in order to—well, if for no other reason, in order to protect our flank, as it were; because I think the minister will agree that, if agreement cannot be reached, the world will have reached a very dangerous position. If some of the non-committed nations were introduced, does the minister not feel that that would, either now or at a later date, serve a useful purpose?

Mr. GREEN: The ten-member committee, Mr. Regier, was not set up by the United Nations; it was set up by the four foreign ministers meeting in Geneva last summer, the United Kingdom, the United States, France and the Soviet; and it represents the NATO group of nations and the Warsaw pact group.

The belief is that, if agreement can be reached between those two groups, that will go a long way toward bringing about disarmament in all parts of the world. I do not think it would be feasible to bring in nations from outside those two groups. The United Nations has an observer at the meetings, and the United Nations gave this committee its blessing, as you know, at the assembly last fall.

In effect, the United Nations turned over the job of working out a disarmament agreement to this ten-nation committee. What I had in mind, in mentioning Mr. Hammarskjold, was that it would probably be very helpful to have him tell the committee the way in which the members of that committee could best proceed, from the point of view of the United Nations and to satisfy all the other nations which are not represented on the disarmament committee.

I am afraid there is a danger of the United Nations being forgotten, or pushed aside, and some organization being set up which is, in effect, a competitor of United Nations. I think that would be disastrous.

Mr. REGIER: I realize the minister's reasons for expressing the desirability of having Mr. Hammarskjold there, and that they were not exactly the reasons that I attempted to put forth.

However, does the minister not feel that there may come a time—if it has not already come: after all, they have held 16 meetings—when there might be a place for what we have been calling an honest broker?

Mr. GREEN: You are not getting back to this honest broker subject, are you? As you know, in the second stage of the western plan there is provision for calling a conference of all the nations which have sizable military power. This is part of the western plan, actually.

Mr. REGIER: In other words, if the two halves of the committee reach an absolute deadlock, then Canada would support the idea of introducing, in effect—

Mr. GREEN: No, I did not say that; I said that in the second stage of the western disarmament plan there is provision for calling a conference of all the nations of substantial military capability.

Mr. REGIER: Would that include the government of Peking?

Mr. GREEN: Oh, I would think so.

Mr. REGIER: On the other matter I wanted to raise, was there not a division of the house here some time ago on the subject of whether or not NORAD ought to be brought under the auspices of NATO?

Mr. GREEN: There has been a lot of debate about it in the house, yes.

Mr. REGIER: Was there not a division, a formal division, on it?

Mr. GREEN: What do you mean—a vote?

Mr. REGIER: Yes, a vote of the house.

Mr. GREEN: I do not remember.

Mr. MARTIN (*Essex East*): There were some strong speeches.

Mr. GREEN: I beg your pardon?

Mr. MARTIN (*Essex East*): There were strong speeches—no vote.

Mr. GREEN: By the Minister of National Defence.

Mr. MARTIN (*Essex East*): No, the Leader of the Opposition.

Mr. REGIER: If I remember rightly, there was a vote of the house, in which the official government endorsed the government on the vote.

Mr. PEARSON: I would like to have proof of that observation. What vote are you talking about?

Mr. GREEN: I will let Mr. Pearson answer that.

Mr. CARDIN: Mr. Chairman, I wonder if the minister could tell the committee what the government's position is on the exportation of arms outside the country to, say, countries like the Middle East, for instance?

Mr. GREEN: The policy permits exports of arms to commonwealth countries and NATO countries; not to areas where there is potential trouble, trouble spots. Each case is considered on its merits.

Mr. CARDIN: What would the policy be on the Middle East?

Mr. GREEN: Well, each case there would be considered on its merits. Generally speaking, our policy is not to ship arms into any hot spot.

Mr. PEARSON: Is it possible to ship arms at the present time from Canada to South Africa without any export licence?

Mr. GREEN: In effect, all these applications are considered on their merits; but the general rule has been to grant them for export to NATO countries and to commonwealth countries. Every single shipment would require a licence.

Mr. PEARSON: Every single shipment has to have a licence, wherever it goes.

Mr. GREEN: That is right.

Mr. PEARSON: But the practice in the past has been to grant licences to NATO and commonwealth countries; is that it?

Mr. GREEN: That is right.

Mr. MARTIN (*Essex East*): The minister has perhaps noted the statement made by—

Mr. GREEN: Each case would be considered on its merits, and where there is trouble there certainly would not be any permit granted.

Mr. MARTIN (*Essex East*): I would like to follow up the question Mr. Cardin asked about arms to the Middle East, and I have noted the minister's statement of policy as to the Canadian position with regard to the export of arms.

Has the minister noted the statement of the ambassador for Israel, that the export of arms by the Soviet Union to the U.A.R. has reached a point which would give that country a decided military advantage?

Mr. GREEN: I have not seen a statement to that effect.

Mr. MARTIN (*Essex East*): It was quoted in the *New York Times*. The minister has no comment to make on that?

Mr. GREEN: I have not seen that. You mean, from a Canadian ambassador?

Mr. MARTIN (*Essex East*): No. Mr. Comay, the new ambassador for Israel at the United Nations.

Mr. GREEN: No, I would not care to comment on that.

The VICE-CHAIRMAN: Are there any further questions?

Mr. MARTIN (*Essex East*): Some of us have committee meetings at 11:00 o'clock, Mr. Chairman; that is the difficulty.

The VICE-CHAIRMAN: The minister will not be available for any meeting tomorrow.

Mr. PEARSON: This will be the last time I will see the minister before he leaves for—

Mr. MARTIN (*Essex East*): There was some discussion, Mr. Chairman—I do not know whether we had it with you, or not; but Mr. Nesbitt had spoken to some of us and we thought it was better not to close the estimates, so that after Easter, if there was any situation that warranted our asking the minister to come back, that would be possible.

The VICE-CHAIRMAN: I was hoping that we could close the committee out, and then the Chairman, Mr. White, would be back after Easter and would then be able to work on the final report. That was my hope.

Mr. MARTIN (*Essex East*): I appreciate your hope, but—

The VICE-CHAIRMAN: As I say, that was my hope, for several good reasons: the reporting branch lacks several reporters, and they are stretched out very thinly. It is quite a job for them to report all these various committees, and I was hoping that we might close this committee so that it would facilitate the operation of these other committees after Easter.

Mr. PEARSON: Would it not be possible to perhaps meet that objective and leave a way open for us to hear the minister on his return from these meetings, later in the spring, if that seems desirable?

The VICE-CHAIRMAN: I would agree with that. I think the Chairman, Mr. White, could call a meeting at any time, to have the minister explain those different things.

Mr. JONES: Mr. Chairman, perhaps that is a matter that could be taken up with the steering committee and dealt with at a subsequent meeting.

The VICE-CHAIRMAN: Is it the wish of the members, however, to close item 75?

Mr. MARTIN (*Essex East*): That is the main item?

The VICE-CHAIRMAN: Yes—with the understanding that if it is deemed necessary by the steering committee, that we could hold—

Mr. MARTIN (*Essex East*): Could we not leave it this way, Mr. Chairman; that we will leave this for the consideration of the steering committee and they will bring back a recommendation?

Mr. JONES: We would have one meeting, anyway, before the Easter recess, I take it, Mr. Chairman?

The VICE-CHAIRMAN: I am in the hands of the committee.

Mr. PEARSON: If we will not be seeing the minister for a while, I wonder if I could, so far as I am concerned, wish him well and success on his travels and missions, and express the hope that his independent approach as an honest broker, with regard to the need for keeping unity within the coalition, will meet with success.

Mr. GREEN: Thank you very much, Mr. Pearson.

The VICE-CHAIRMAN: What is the understanding now? This item—

Mr. MARTIN (*Essex East*): Go to the steering committee, and then they will make a report at the next meeting.

The VICE-CHAIRMAN: All right.

Mr. MARTIN (*Essex East*): Will you be presiding at the next meeting, Mr. Chairman?

The VICE-CHAIRMAN: If it is before Easter.

Mr. MARTIN (*Essex East*): I did not know whether you would be or not. I just want to say that we greatly appreciate the way you have conducted the meetings.

The VICE-CHAIRMAN: Thank you. I expect Mr. White to be back immediately after the Easter recess. Then the committee will meet at the call of the chair.

Mr. PEARSON: The committee is bound to meet tomorrow morning at 9:30 on votes and proceedings, is it not?

The VICE-CHAIRMAN: Is it your wish that we meet tomorrow morning, then?

Mr. PEARSON: I do not know.

The VICE-CHAIRMAN: We will meet tomorrow morning, then.

Mr. PEARSON: All right, leave it at the call of the Chair.

The committee adjourned.

HOUSE OF COMMONS

Third Session—Twenty-fourth Parliament

1960

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 14

FRIDAY, APRIL 8, 1960

ESTIMATES 1960-61 OF THE DEPARTMENT OF
EXTERNAL AFFAIRS

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1960



STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.,
Vice-Chairman: F. E. Lennard, Esq.,
and Messrs.

Aitken (Miss),
Allard,
Batten,
Cardin,
Cathers,
Crestohl,
Eudes,
Fairfield,
Fleming (Okanagan-
Revelstoke),
Garland,
Hellyer,
Herridge,

Jones,
Kucherepa,
Lafrenière,
MacLellan,
Macquarrie,
Mandziuk,
Martin
(Essex East),
McCleave,
McGee,
McIntosh,
Montgomery,
Nesbitt,

Nugent,
Pearson,
Pratt,
Regier,
Richard
(Ottawa East),
Slogan,
Smith
(Calgary South),
Valade,
Vivian—35.

Eric H. Jones,
Clerk of the Committee.

CORRIGENDUM (*English Edition only*)

Minutes of Proceedings and Evidence No. 12, April 6, 1960

Page 303, line 30: delete "incapable or somewhat" and substitute "capable though" therefor.

MINUTES OF PROCEEDINGS

FRIDAY, April 8, 1960.

(15)

The Standing Committee on External Affairs met at 9.30 o'clock a.m. this day, the Vice-Chairman, Mr. F. E. Lennard, presiding.

Members present: Miss Aitken and Messrs. Crestohl, Fleming (*Okanagan-Revelstoke*), Jones, Kucherepa, Lennard, Martin (*Essex East*), McCleave, McIntosh, Montgomery, Nugent, Richard (*Ottawa East*), Smith (*Calgary South*), and Vivian. (14)

In attendance: Messrs. N. A. Robertson, Under-Secretary of State, and H. B. Stewart, Head, Finance Division; both of the Department of External Affairs.

The Committee resumed its consideration of the 1960-61 estimates of the Department of External Affairs.

The Committee agreed to a revision requested by Mr. Herridge in Issue No. 12 of the proceedings of the Committee on April 6th, page 103 (*See Corrigendum on second page of this issue for the detail thereof.*)

The Committee debated the feasibility of meeting after the return of the Secretary of State for External Affairs to hear him in regard to his visits to Washington, Turkey, and, thereafter, the Prime Ministers Conference.

Following debate Mr. Herridge moved, having in mind the importance of the visits and the report and the interest, that the Committee have an opportunity of hearing the report of the Minister.

Following debate, the consensus of the Committee was in agreement with the subject matter of the proposed motion of Mr. Herridge.

During the proceedings, Mr. Stewart, Head, Finance Division, Department of External Affairs, produced a documentary answer to a question asked by Mr. H. F. Jones, M.P., in regard to the number of officers of the departments of External Affairs and Trade and Commerce resident at Canadian posts abroad.

At 9.55 o'clock a.m. the Committee adjourned to the call of the Chair.

Eric H. Jones,
Clerk of the Committee.

EVIDENCE

FRIDAY, April 8, 1960.

9.30 a.m.

The VICE-CHAIRMAN: Miss Aiken and gentlemen, we have a quorum.

Mr. HERRIDGE: Mr. Chairman, I have not the last record of the proceedings of the Committee with me, but I read them, and I am reported there as referring to the member for Calgary South as being "incapable and inexperienced." I do want that corrected, because that is a gross blunder. I referred to him as "capable though inexperienced." I pass this tribute to his ability. (*See Corrigendum down on second page of this issue.*)

Mr. JONES: I think you should correct the other part, too, that he is not only experienced in this house but in the Alberta legislature.

Mr. HERRIDGE: A man of experience and great charm.

Mr. SMITH (*Calgary South*): Thank you, gentlemen.

The VICE-CHAIRMAN: I am just waiting until we get organized. We had a meeting of the steering committee yesterday afternoon, and nothing was finalized there in respect of passing the main item. It was left for this meeting this morning to decide what might be done. I may say the minister will not be available until towards the end of May. It is hoped the committee will agree to pass the item so these estimates might return to the house some time before the end of the session. If it is left as it is, it would be rather awkward, I feel. However, I am in the hands of the committee.

Mr. RICHARD (*Ottawa East*): Was there not a suggestion however that at the same time we would refer this item back to the house and then we would ask the house for leave to sit at the call of the chair, and have a sitting again to consider other matters—

The VICE-CHAIRMAN: That is right.

Mr. RICHARD (*Ottawa East*): —which might arise before the calling of the estimates in the house?

The VICE-CHAIRMAN: That was more or less understood at our meeting.

Mr. JONES: I do not know, Mr. Chairman, on the point of strict power, whether we can do that. It is my understanding that everybody would be agreed that that should take place.

Mr. RICHARD (*Ottawa East*): We have the right to make any kind of recommendation we wish. I can get up and ask it, or you can get up and ask the house anything.

Mr. JONES: You can do that in the house; but as far as the committee is concerned it can only operate by way of reference from the house.

Mr. RICHARD (*Ottawa East*): You do not need privilege to ask.

Mr. VIVIAN: May I say—

Mr. MARTIN (*Essex East*): Before that motion is put I wonder if I could explain the position which Mr. Pearson took when this matter was discussed with Mr. Nesbitt. I am sure that all the members of this committee have approached and will approach their task in a spirit of constructive effort, but I would not be fair to the position we take if I did not state the problem.

As the chairman has now indicated, the Secretary of State for External Affairs in compliance with duty will not be available until the end of May.

He is undertaking a number of important visits abroad, and that will keep him out of the country substantially for the whole of that period. When he returns, undoubtedly he will have for this committee, for the country and for parliament some very important reports to make. Our procedures in the house are such that notwithstanding the generous natures, of hon. members, it is not always possible by interrogation to elicit the kind and the quality of information we are able to obtain through this particular instrument of the parliamentary committee.

I am not saying that there will, but there may be a desire on the part of some members, perhaps a minority of the members of this committee—and that in itself would create a problem—to have the Secretary of State for External Affairs appear before us.

I am sure that everyone, and particularly the chairman, is disposed to meet our problem. But let me indicate that procedurally the problem is not a simple one, as hon. members have indicated. We now have before us in the House of Commons a situation where some of us have sought and are seeking to have a particular committee called together, a committee that has already discharged its functions but has not met for some time; and there is no way by which that can be done unless issue is taken by the majority of the members of that committee. There just is no way under the procedures of the House of Commons, if there is reluctance for that committee to meet.

We do not want to be opposing the making of a report, but I do think there should be some clear understanding, if some members of this committee feel they would like to have the Secretary of State for External Affairs back after his journey, at a time when we will have perhaps some indication of the progress that is being made in the 10-power disarmament commission, and if the request is made by members of the committee for that purpose, even though they be a minority group, that there would be no difficulty. But in the absence of that, there would be no assurance that we could meet.

It may be suggested that at that time there will be an opportunity, through consideration of the estimates in the house, to discuss matters that might normally be discussed here. That is true in a sense, but even there it is not possible to have the kind of discussion which we should have.

I heard Mr. Richard, in an aside to Mr. Herridge, make a very sensible observation, that those estimates could be reduced possibly, not by design but simply peradventure at the end of the session, and in that event we would be denied the opportunity.

I have stated the problem, not in a combative way, but in a way that I hope will win the understanding and support of the committee.

Mr. McCLEAVE: Mr. Chairman, on a point of information: is Mr. Martin aware today of any further developments in the disarmament meeting?

Mr. MARTIN (*Essex East*): No, I just mentioned that. The minister is going in the next week to the foreign ministers' meeting, to a very important meeting in Washington. From there he is going to Turkey, and then to the prime ministers' conference. After that he is going to South America. All these are important assignments. We all wish him very well in the discharge of those functions; but I am sure there will be a very great deal of interest in the outcome of these efforts.

It is possible we might not want to meet. All we want to do is reserve the right, if we want to do so, in this committee.

Mr. HERRIDGE: I am sure all the members of the committee agree with Mr. Martin in that the minister's visits to Washington, to Turkey and to South American countries are of great importance and interest to this committee. I surely agree with his suggestion that it would be most helpful if this committee could receive a report from the minister on his return and that arrangements could be made therefor.

I am of the opinion, Mr. Chairman, speaking from limited experience—not the extensive experience that Mr. Martin has had—that on previous occasions in respect of one or two committees arrangements have been made, after the estimates have been passed, by virtue of a recommendation from the committee of the whole house for a minister or a senior official to make a certain report to the standing committee.

I suggest, Mr. Chairman, that this committee move a motion indicating its interest in this particular question, and recommending that the minister have an opportunity to make a report to the committee on his return. I am quite sure that would be sufficient guarantee to this committee that we would have that opportunity.

Mr. JONES: I do not think that was quite what Mr. Martin had in mind if I understood him correctly, Mr. Herridge. Perhaps Mr. Martin could make an observation on that, but my understanding was that the committee would be reformed to hear the minister on his return, if it seemed desirable.

Mr. RICHARD (*Ottawa East*): If requested by members of the committee, even a minority.

Mr. HERRIDGE: No; having in mind the importance of the visits and the report and the interest, I think Mr. Martin wanted to make certain that the committee had an opportunity to hear that report. Is that not correct, Mr. Martin?

Mr. MARTIN (*Essex East*): Yes.

Mr. SMITH (*Calgary South*): On the other hand, Mr. Chairman, if the estimates do come before the house at an early date, which is quite obviously one of the reasons you want to have the final vote passed, this, Mr. Martin, would serve the same purpose, would it not?

Mr. RICHARD (*Ottawa East*): If the minister was not here?

Mr. SMITH (*Calgary South*): No, if the minister was here.

Mr. MARTIN (*Essex East*): I have not had a chance to discuss the matter with my colleagues—

The VICE-CHAIRMAN: There was plenty of time, Mr. Martin. After all, we did not decide anything yesterday.

Mr. MARTIN (*Essex East*): It seems to me the suggestion of Mr. Herridge has great value.

The VICE-CHAIRMAN: As a matter of fact I am quite agreeable myself.

Mr. MARTIN (*Essex East*): If the situation eventuated, as Mr. Smith now suggests, there probably would be no opportunity. I do not know, but I think hereafter it would be very difficult for anybody to take a position, in the face of such a recommendation as Mr. Herridge makes, that the committee should not meet for that purpose.

Mr. HERRIDGE: I want to explain. I do not want any misunderstanding on the part of the committee. Because I am sitting between Mr. Richard and Mr. Martin I do not want it to be thought that I am now in the Liberal fold.

Mr. McCLEAVE: Maybe he is converting them.

Mr. SMITH (*Calgary South*): I see no objection whatever. The only question I ask, and purely for information, is if we pass the estimates what is the constitutional position of the committee?

The VICE-CHAIRMAN: You have nothing before you then.

Mr. SMITH (*Calgary South*): Has our recommendation any effect?

Mr. MARTIN (*Essex East*): It would be a matter of the record.

Mr. RICHARD: If it is unanimous, then there would be—

Mr. JONES: I would think, Mr. Chairman, the general feeling of the committee would be that, if it appears desirable for the committee to hear the minister on his return and if other opportunities are not available, the committee should meet again. I think every member of the committee would welcome the opportunity to have another meeting. If we leave it on the basis of that understanding, I am sure all hon. members would be quite satisfied with the way it would be dealt with.

Mr. RICHARD: Mr. Chairman, by "members of the committee" no doubt you do not mean the whole committee would have to agree, or a majority of the committee would have to agree to meet again.

Mr. JONES: The external affairs committee is not and has not been in the past a committee of partisan contention. I think it is the feeling of the committee right now that if the members feel there is not an opportunity in the sufficiently near future in the house to hear the minister on estimates after his return, then we should have a meeting. I think it is in that spirit the matter can be dealt with. That is probably the only way this committee has power to deal with the matter.

Mr. HERRIDGE: Mr. Chairman, the point is that we would be concluding consideration of the estimates. I think there is a question of, shall I say, procedure and common sense, which would prompt us to allow the estimates to pass, so that they might go back to the house, which we are desirous of doing, provided we have this opportunity, as mentioned by Mr. Martin and one or two others.

Through the chairman, therefore, I would move that, in view of the importance of and interest in the minister's visits to Washington, Turkey and South America, to this committee, the committee strongly recommend that provision be made for the minister to make a report on his visit and travels to the committee after his return.

The VICE-CHAIRMAN: That sounds very reasonable.

Mr. SMITH (*Calgary South*): I see no objection to that. I was only going to ask Mr. Herridge if he would not want to make some reference to the provision "if this opportunity has not been provided in the committee of the whole house"? There is little purpose in calling him back here, if the same opportunity is provided in the house.

Mr. KUCHEREPA: The point, Mr. Chairman, is this: if we make this recommendation and send it to the house, the house may not necessarily accept it. Further, once we are in the position to do that, if we do not conclude our consideration of the estimates and leave them as they are, then we have completed our work in this committee, they have not reached the house and there could be no discussion at any level either in this committee or in the house about the estimates. To a large extent it would paralyze any discussion of these matters.

Mr. CRESTOHL: Mr. Chairman, I thought the suggestion you made yesterday at the steering committee was a very wise and a very plausible one, when you suggested that if we agreed, and if we had the members' consent, the house could refer back to the committee one item so that we could carry on. I wonder, therefore, whether we could merge your proposal with that of Mr. Herridge adopting a resolution here which could be incorporated in the final report of the committee to the house. If we have an understanding amongst ourselves, I assume you could take the matter up with the leader of the house whereby the item could be referred back to the committee, if so requested even by a minority of the house. But I go along with the suggestion.

The VICE-CHAIRMAN: It should be a separate report.

Mr. CRESTOHL: Whichever way is necessary.

Mr. KUCHEREPA: This committee is limited to making a recommendation. It cannot direct the house.

Mr. CRESTOHL: I know we cannot direct the house. The report will be made along the lines of Mr. Herridge's suggestion; but if we have that understanding amongst ourselves and if the chairman will have a word with the leader of the house and tell him what the feeling here is, he will consent to have an item left over.

The VICE-CHAIRMAN: I would most certainly agree to that.

Mr. SMITH (*Calgary South*): Mr. Chairman, is there not a better solution to that—and I hope I am speaking very close to Mr. Herridge's motion: report everything back to the house but the first item.

Mr. RICHARD (*Ottawa Est*): That was the first suggestion.

Mr. KUCHEREPA: The only thing we can do is to recommend to the house the motion which Mr. Herridge has made.

The VICE-CHAIRMAN: That is right.

Mr. KUCHEREPA: This way it is their item.

Mr. JONES: I think, then, Mr. Chairman, we might close item 75 and recommend that the feeling of the committee in this regard be included in the final report. The committee has to meet again to discuss the final report which will be presented to the house.

Mr. SMITH (*Calgary South*): I would move we close the item.

The VICE-CHAIRMAN: Just a minute. There is an answer to a question that was asked by Mr. Jones as to the number of officers of the Department of External Affairs and Trade and Commerce resident at Canadian posts abroad. May I suggest that this be included in today's proceedings?

Agreed.

(The said answer is as follows:)

Answer to Question by Mr. H. F. Jones, M.P.

NUMBER OF OFFICERS FROM THE DEPARTMENTS OF EXTERNAL AFFAIRS AND
TRADE AND COMMERCE RESIDENT AT CANADIAN POSTS ABROAD

Country	External Affairs	Trade and Commerce	Total
ARGENTINA—Buenos Aires.....	3	2	5
AUSTRALIA—Canberra.....	3	1 (en route)	
Melbourne.....	—	1	
Sydney.....	—	2	
			7
AUSTRIA—Vienna.....	3	2	5
BELGIAN CONGO—Leopoldville.....	—	1	1
BELGIUM—Brussels.....	5	2	7
BRAZIL—Rio de Janeiro.....	3	2	
Sao Paulo.....	1	2	
			8
CEYLON—Colombo.....	3	1	4
CHILE—Santiago.....	2	1	3
COLOMBIA—Bogota.....	2	2	4
CUBA—Havana.....	2	1	3
CZECHOSLOVAKIA—Prague.....	2	—	3
DENMARK—Copenhagen.....	2	1	3
DOMINICAN REPUBLIC—Ciudad Trujillo.....	1	2	3
FEDERATION OF RHODESIA AND NYASALAND—Salisbury.....	—	1	1
FINLAND—Helsinki.....	2	—	2
FRANCE—Paris.....	9	2	
Paris NATO.....	8	—	
			19
GERMANY—Bonn.....	7	3	
Berlin.....	2	—	
Hamburg.....	1	2	
			15

NUMBER OF OFFICERS FROM THE DEPARTMENTS OF EXTERNAL AFFAIRS AND
 TRADE AND COMMERCE RESIDENT AT CANADIAN POSTS ABROAD—*Concluded*

Country	External Affairs	Trade and Commerce	Total
GHANA—Accra	3	1	4
GREECE—Athens	2	2	4
GUATEMALA—Guatemala City	—	2	2
HAITI—Port-au-Prince	1	—	1
HONG KONG—Victoria	—	3	3
INDIA—New Delhi	7	1	8
Bombay	—	2	2
INDONESIA—Djakarta	3	1	4
IRAN—Tehran	3	1	4
IRELAND—Dublin	2	1	3
ISRAEL—Tel Aviv	3	—	3
ITALY—Rome	5	3	8
JAPAN—Tokyo	6	3	9
LEBANON—Beirut	3	2	5
MALAYA—Kuala Lumpur	3	—	3
MEXICO—Mexico City	4	3	7
NETHERLANDS—The Hague	4	3	7
NEW ZEALAND—Wellington	2	2	4
		(1 en route)	
NIGERIA—Lagos	1	—	1
NORWAY—Oslo	3	1	4
PAKISTAN—Karachi	5	2	7
PERU—Lima	2	2	4
PHILIPPINES—Manila	—	2	2
POLAND—Warsaw	4	—	4
PORTUGAL—Lisbon	2	1	3
SINGAPORE—Singapore	—	2	2
SPAIN—Madrid	3	1	4
SWEDEN—Stockholm	2	1	3
SWITZERLAND—Berne	2	2	4
Geneva (Permis U.N.)	4	—	4
Geneva (Disarmament Del.)	4	—	4
TURKEY—Ankara	3	—	3
UNION OF SOUTH AFRICA—Pretoria	3	—	3
Capetown	—	1	1
Johannesburg	—	2	2
U.S.S.R.—Moscow	5	—	5
UNITED ARAB REPUBLIC—Cairo	4	1	5
UNITED KINGDOM—London	15	6	21
Liverpool	—	1	1
Glasgow	—	1	1
UNITED STATES—Washington	14	5	19
New York	7	3	10
New York (Permis U.N.)	7	—	7
Boston	3	1	4
Chicago	2	3	5
Detroit	1	2	3
Los Angeles	3	—	3
New Orleans	1	1	2
San Francisco	3	—	3
Seattle	3	—	3
URUGUAY—Montevideo	1	1	2
VENEZUELA—Caracas	2	3	5
THE WEST INDIES—Port-of-Spain	1	3	4
Kingston	—	2	2
YUGOSLAVIA—Belgrade	3	—	3
Vietnam—Saigon (International Supervisory Commission)	5	—	5
CAMBODIA—Phnom Penh (International Supervisory Commission)	1	—	1
GRAND TOTAL	232	111	343

The VICE-CHAIRMAN: Now, Mr. Herridge's motion I presume would be in order. It should be recorded.

Mr. HERRIDGE: It is a recommendation to the steering committee in drafting a report for presentation to the committee. I think the recommendation is understood.

The VICE-CHAIRMAN: I think everyone is agreed, and if that is the case I do not see any obstacle in the way of having that proposed meeting if necessary.

Mr. JONES: I move we adjourn at the call of the Chair.

Mr. MARTIN (*Essex East*): I would like to say on behalf of myself—and I would believe of others—that we would express to the chairman of our committee our hopes that he will soon be back to work, and that his health will be very good.

The VICE-CHAIRMAN: I will be pleased to do that.

Well, the meeting, I presume, stands adjourned at the call of the Chair.

HOUSE OF COMMONS

Third Session—Twenty-fourth Parliament

1960

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

Chairman: H. O. WHITE, Esq.

MINUTES OF PROCEEDINGS

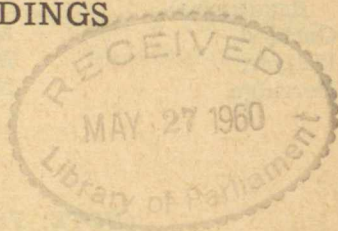
No. 15

WEDNESDAY, APRIL 27, 1960

ESTIMATES 1960-61 OF THE DEPARTMENT OF
EXTERNAL AFFAIRS

Including Second Report to the House

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1960



STANDING COMMITTEE ON EXTERNAL AFFAIRS

Chairman: H. O. White, Esq.,

Vice-Chairman: F. E. Lennard, Esq.,

and Messrs.

Aitken (Miss),
Allard,
Batten,
Cardin,
Cathers,
Crestohl,
Eudes,
Fairfield,
Fleming (Okanagan-
Revelstoke),
Garland,
Hellyer,
Herridge,

Jones,
Kucherepa,
Lafrenière,
MacLellan,
Macquarrie,
Mandziuk,
Martin
(Essex East),
McCleave,
McGee,
McIntosh,
Montgomery,
Nesbitt,

Nugent,
Pearson,
Pratt,
Regier,
Richard
(Ottawa East),
Slogan,
Smith
(Calgary South),
Valade,
Vivian—35.

Eric H. Jones,
Clerk of the Committee.

(NOTE: For ERRATA see Appendix to these
Minutes of Proceedings.)

REPORT TO THE HOUSE

WEDNESDAY, April 27, 1960.

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

SECOND REPORT

Pursuant to its Order of Reference dated February 16, 1960, your Committee has examined items numbered 75 to 106 inclusive, as listed in the Main Estimates 1960-61, relating to the Department of External Affairs, and recommends them to the House for approval.

A copy of the Minutes of Proceedings and Evidence in respect of the said estimates is appended.

Respectfully submitted,

FRANK E. LENNARD,
Vice-Chairman.

MINUTES OF PROCEEDINGS

WEDNESDAY, April 27, 1960.

(16)

The Standing Committee on External Affairs met *in camera* at 9.30 o'clock a.m. this day, the Vice-Chairman, Mr. F. E. Lennard, presiding.

Members present: Messrs. Cathers, Fairfield, Herridge, Jones, Kucherepa, Lafrenière, Lennard, Macquarrie, Nesbitt, Richard (*Ottawa East*) and Vivian—11.

The Committee resumed its consideration of the 1960-61 estimates of the Department of External Affairs.

The Committee agreed to the request of General McNaughton to the Chairman that the printed record of his evidence contained in Issues Nos. 5 to 9 inclusive be revised in accordance with the detail which General McNaughton had submitted. (*See Errata set out in the Appendix to these Minutes.*)

The Vice-Chairman reported that the Subcommittee on Agenda and Procedure had met on April 26th and had considered the proposal of Mr. Martin (*Essex East*) on April 7th and of Mr. Herridge on April 8th that a meeting be arranged to hear the Secretary of State for External Affairs in regard to his visits abroad, on his return a few weeks hence. The Subcommittee had requested the Vice-Chairman to discuss the proposal with the Honourable Mr. Green. Mr. Lennard stated that he had done so and that the Minister was agreeable to addressing the Committee as had been suggested. The Committee concurred in the proposal and requested that the Chairman call such a meeting at an appropriate time.

The Committee reverted to Item 75 of the estimates, Departmental Administration; the said item was carried.

The Vice-Chairman read a draft Report to the House returning the estimates, which the Subcommittee had considered and recommended. The Committee approved the report as drafted and ordered that the Vice-Chairman present it to the House.

At 9.40 o'clock a.m. the Committee adjourned to the call of the Chair.

Eric H. Jones,
Clerk of the Committee.

APPENDIX

ERRATA

Minutes of Proceedings and Evidence No. 5, Wednesday, March 16, 1960

- page 149, 5th para, line 6—after “biological” insert “investigation”.
- page 151, line 6—after “first” insert “importance in relation to this”.
- line 7—delete “of” and insert “to”.
- line 14—after “fisheries” insert “reports”.
- line 15 from bottom—after “those” insert “were”.
- page 152, line 11—after “April 16” insert “last year”.
- line 14 from bottom—delete “construction” and insert “association”.
- page 153, line 8—after “some” insert “steam”; and delete “built” and insert “designed”.
- line 10—delete “combined” and insert “steam”.
- line 12—after “single” insert “hydro electric”.
- line 14—after “kilowatts” insert “installed”.
- line 15—after “kilowatts” insert “firm”.
- line 33—after “cycles is” insert “then”.
- line 41—after “firm up” insert “Passamaquoddy”.
- line 4 from bottom—after “pulsating power” delete “and” and insert “in the”.
- page 155, line 16—delete “their” and insert “steam”.
- page 158, line 4 from bottom—“commission” should read “commission’s board”.
- page 159, 6th para, General McNaughton—line 2—after “get ahead with” insert “increasing the power installation at” and at end of line delete “site” and insert “other”.
- line 4—at end of line after “by the” insert “two”.
- line 5—“government” should read “governments”.

Minutes of Proceedings and Evidence No. 6, Friday, March 18, 1960

- page 166, 10th para, line 1—delete “filed” insert “signed”.
- page 167, line 11—“basis” should read “based”.
- line 13—at end of line delete “is” and insert “are”.
- line 14—“matter” should read “matters”.
- 5th para, line 2—“concerned” should read “concerted”.
- 6th para, line 2—delete “These” and insert “In this”.
- page 168, line 1—delete “navy” insert “wavy”.
- 3 para, line 5—after “distribution of flow” delete comma; and after “in time” insert a comma.
- 3d para, line 9—“improved” should read “improve”.
- 3d para, line 11—before “and” at beginning of line insert “down”.

- page 172, line 9 from bottom—after “We did not” insert “even”.
- page 173, line 20 from bottom—“happened” should read “happens”.
- line 20 from bottom—delete “that” insert “the”.
- line 20 from bottom—“negotiation” should read “negotiations”.
- line 18 from bottom—insert quotes before and after “authorization”.
- page 174, line 15—delete “the study of” and insert “studied for”.
- line 18—delete “which”.
- line 21—after “to hand” insert “over”.
- page 175, line 15—delete “not quite up”.
- line 17—after “Bull river” insert “dam”.
- line 20—delete “650” and insert “160”.
- line 23—after “because the” insert “difference in”.
- line 30—after “boundary” insert “and” and delete “on”.
- page 176, line 1—after “proposition” insert “would”.
- page 177, line 15 from bottom—after “comes into” insert “the matter in.”
- page 178, line 19—delete “of” after the word “contribution” and insert “to”.
- line 26—“\$1 million” should read “\$1 billion”.
- page 179, line 10—after “of course” insert “must”.
- line 23—delete “themselves”.
- last line—after “examination” insert “of the matter to date”.

Minutes of Proceedings and Evidence No. 7, Wednesday, March 23, 1960

- page 203, line 23 from bottom—delete “in” insert “of”.
- page 205, line 16—delete “tan” insert “than”.
- page 206, line 15—after “It is” insert “from”.
- line 16—before “the Kootenay” insert “on”.
- line 22—“require” should read “requires”.
- line 25—delete “nominal” and insert “international”.
- page 207, line 9 from bottom—“they” should read “the”; and before “should undertake” insert “downstream state”.
- line 14 from bottom—“two or three years” should read “two or four years”.
- line 21 from bottom—after “completely used” insert “once”.
- line 26 from bottom—delete “our” and insert “the”; and delete “made” and insert “used”.
- page 208, line 10—after “storage” delete “for” and insert “in”.
- line 22—after “less you want to” delete “use” and insert “draw down the reservoirs”.
- page 209, line 16 from bottom—after “assigned away” insert “without”.
- page 210, 5th para, line 5—after “high” insert “cost”.
- page 212, 7th line—after “head”, “water” should read “waters”; and after “waters” insert “of”.
- line 14—delete “you” before “people” and insert “here” after “people”.
- line 4 from bottom—delete “out” and insert “up”.

page 213, line 8—after “dam is” insert “planned to be”; and before “here” insert “shown”.

line 13—delete “of” at beginning of line; delete “of head” at end of line.

line 16—after “alternative to” insert “Libby”.

line 21—“this reservoir” should read “these reservoirs in comparison”; and delete “from the point of view.”

line 22—delete “of these two reservoirs, in relation”.

line 29—“table 4” should read “table 16”.

line 10 from bottom—after “in the system” delete “it” and insert “the benefit”; and delete the period after “increasing” and insert “any more.”

page 214 4th para, commencing “General McNaughton”—line 12—after “the net result,” delete “but” and insert “and”.

page 215 line 12—after “storage on this” insert “route”.

line 15—“plant” should read “plants”.

line 21—after “conditions that” delete “we” and insert “the West Kootenay plants”.

line 20 from bottom—after “head across” delete “at” and insert “to”.

line 19 from bottom—after “illustrated” insert a dash followed by the word “water” and after “stored there”, insert “Dorr, Bull River—Luxor”.

line 17 from bottom—delete “the Kootenays”.

line 6 from bottom—“Kootenay” should read “Kootenai”.

last line—delete “So, the Canadian governments, British Columbia or otherwise, which” and insert “So on the basis of the effective use of the flows the authorities concerned would need to say”.

page 216 line 1—delete “have control of that water, will have to say:”.

line 6 from bottom—“implemental” should read “incremental”.

Minutes of Proceedings and Evidence No. 8, Friday, March 25 1960

Page 220 5th para, line 6—For “basis” read of “basin”.

5th para, line 11—after “cost of the” insert “Dorr, Bull River-Luxor”.

5th para, line 12—delete “between \$110 million and”; and insert “about” “\$115 million” should read “\$145 million”.

6th para, line 3—after “foundation which” delete “is” and insert “has”.

4th line from bottom—after “sequence we have” insert “proposed”.

page 221 5th para, line 4—after “installation” and before the comma insert “from the point of view of water use”.

7th para, line 4—“the areas which” should read “these areas are ones which”.

2nd line from bottom—delete “flowage” and insert “energy of the water”.

page 222 line 19 from bottom—delete “X” and capitalize “international.”

line 12 from bottom—delete “flowage” and insert “flood”.

last line—after “States” insert “and”.

page 223 3d line—delete “proposition” and insert “drawdown Libby”; and change “requiring” to “requires”.

6th line—after “194 feet” insert “in the U.S.”

line 12 from bottom—after “Kootenai” insert “falls.”

line 9 from bottom—delete “of”.

line 8 from bottom—after “are just” insert “about 1.0 in.”

line 5 from bottom—after “come with” delete “the” and insert “a first added”.

page 224 line 19 from bottom—after “value” insert “as first added to the base”.

line 17 from bottom—after “would result” delete “from” and insert “at”.

line 11 from bottom—after “given a first” insert “added” and after “average” delete “flow” and insert “output”.

line 2 from bottom—after “million acre foot” delete “order”.

page 225 4th para, line 8—“23.88 cents” should read “\$23.88”; delete “cents”.

4th para, line 9—“22.18 cents” should read \$22.18”; delete “cents”; and “1.70” should read “\$1.70.”

5th para, line 3—“six million kilowatts” should read “five million kilowatts”; and “Six million multiplied” should read “Five million multiplied”.

page 226 5th para, line 6—delete “unopenness” and insert “uncooperation”.

16 line from bottom—after “has taken” delete “of” and insert “in”.

page 227 line 14—delete “causing” and insert “expressing”.

line 20—after “indeed” insert “to our calculations”.

line 23—delete “much” insert “well”.

lines 9 to 19—delete the para and insert page 228, 5th para—the following:

General McNAUGHTON: I can answer that under the treaty of 1909, in the case of the Kootenay, which is a river flowing across the boundary, the jurisdiction and control, whether to divert temporarily or permanently, lies with the upstream state, and we have a right to build a dam at Dorr if in the wisdom of British Columbia and Canada they decide to do so. The actual effect of it would have been this—that Libby probably would not have been built and there would then have been no possibility of these immense first added storage credit advantages of which I have spoken being acquired by the U.S. and which, forever afterwards, would have been there as part of the basic system, against which we would have had to compare our figures; and we would have had no proposal now for a cooperative development to share “equitably” the resources of the basin.

page 229 line 12—delete “business” and insert “location”; after “storage” insert “at Luxor”; delete “here” at end of line and insert “Bull river”.

line 16—delete “a billion” at end of line and insert “996,500 in Sequence IX for Canada”.

line 26—after “deduction” insert “from the benefits”.

page 230 3d para, line 8—after “Canada and” insert “our share”.

3d para, line 10—“\$66.4” should be inserted for “\$69”.

3d para, line 13—delete “some of” at end of line.

3d para, line 14—delete “the” at start of line. “Storages” should read “storage” and insert “credit” after “storage.”

4th para, line 5—delete “infinitely” and insert “comparatively”.

5th para, line 8—delete “board” and insert “B.C. Public Utilities Commission”.

line 7 from bottom—after “is” insert “the situation at”.

line 2 from bottom—after “invited by the” insert “Governments of Canada and the”.

page 231, line 12—"20 of 50 years" should read "20 or 50 years".

line 16—after "rangement" insert "under present conditions".

lines 17-14 from bottom—change to read as follows: "expect to get economically out of hydro in the United States Pacific Northwest, and by pushing it perhaps we may get from 40 to 50 years when regulation for power is valuable, and we may be able to add on a bit more than that. But they are beginning to insist upon the rising importance of thermal."

line 12 from bottom—after "put up" delete "these" and insert "their".

line 11 from bottom—after "and develop" delete "them" and insert "the power".

line 10 from bottom—after "thermal" insert "electricity".

line 5 from bottom—delete "dependent on its" and insert "dependable in".

last line—after "for instance, in" delete "that" and insert "the Pacific Northwest".

page 232, line 6—after "the role of" delete "the" and insert "hydro and thermal".

line 14—after "load operation" insert "from" and delete "of".

line 18—delete "must" at first of line and insert "would like to".

line 20—after "wrong" delete the period and insert "but you still need some hydro for peaking".

line 28—after "crease" insert "in value".

line 38—after "which" delete "has" insert "is"; and after "can be used" delete "down the" and insert "for some".

last line—"67" should read "elevation of 77"; and "flooding" should read "average".

page 233, line 2—after "if the" insert "value of regulated".

line 5—after "use" delete "up further" and insert "it through"; and after "The ratio of" insert "value in the".

line 7—after "20 to 1" insert "compared with Arrow"; and after "down here" insert "(Arrow)".

line 9—after "investment out" delete "It" and insert "The storage high up".

line 10—delete "load" and insert "investment"; and delete "insists" and insert "insures".

line 11—delete "draw" and insert "have"; and after "benefits" insert "drawn".

line 17—"reservoirs" should read "reservoir"; and after "reservoir" insert "sites".

Minutes of Proceedings and Evidence No. 9, Monday, March 28, 1960

page 237, last line—delete "subsidiary" insert "specific".

page 241, line 14—delete "will" and insert "would".

line 26—delete "vie" and insert "via".

page 242, 3d para, line 8—after "has" insert "no".

3d para, line 11—delete "are" and insert "is an"; and "infractions" should read "infraction".

10th line from bottom—after "any problems" delete "in".

page 243, 8th line from bottom—after "property" delete "of" and insert "on".

page 244, 7th line from bottom—delete "improved" and insert "improvised".

- page 246, line 26—delete “off” and insert “up”.
line 27—after “means that” insert “at”.
line 28—after “latitude” insert “the surface”.
- page 247, line 11—delete “thousand” and insert “hundred”.
line 17—delete “to” before “capture” and before “hold”.
line 19—insert “flood” before “flowages”.
line 21—after “hold” insert “anything above”.
- page 248, 1st line—delete “who” and insert “whose officers”.
line 12—after “in 1952, when” insert “it was thought”.
- page 249, 22d line from bottom—after “building” insert “unaided”.
- page 250, line 11—“Others” should read “other matters”.
- page 251, 6th para, line 1—after “got” delete “a” and insert “the last annual”.
9th para, line 1—delete “Alberta” and insert “Montana”.
- page 252, line 13—delete “dam” and insert “lock”.
line 16—delete “dam” and insert “lock”.

