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Canada. Parl. H. of C. Standing Comm. on External Affairs, 1947/48. Minutes of proceedings and evidence.	J 103 H7 1947/48 E9A1
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SESSION 1947-1948  
HOUSE OF COMMONS

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STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

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MONDAY, MAY 10, 1948

WEDNESDAY, MAY 12, 1948

MONDAY, MAY 17, 1948

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WITNESS:

Mr. Lester B. Pearson, Under Secretary of State for External Affairs.

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
CONTROLLER OF STATIONERY  
1948





## ORDERS OF REFERENCE

HOUSE OF COMMONS,

MONDAY, February 2, 1948.

*Resolved.*—That the following members do compose the Standing Committee on External Affairs:—Messrs. Baker, Beaudoin, Benidickson, Boucher, Bradette, Breithaupt, Coldwell, Coté, (*Matapedia-Matane*), Croll, Dickey, Diefenbaker, Fleming, Fraser, Gauthier (*Portneuf*), Graydon, Green, Hackett, Harris (*Grey-Bruce*), Jackman, Jaenicke, Jaques, Kidd, Knowles, Lapointe, Leger, Low, MacInnis, Marquis, Mayhew, Mutch, Picard, Pinard, Raymond (*Beauharnois-Laprairie*), Reid, Winkler.

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

ARTHUR BEAUCHESNE,  
*Clerk of the House.*

*Attest.*

TUESDAY, May 4, 1948.

*Ordered.*—That Votes Nos. 52 to 67 inclusive, of the Main Estimates, 1948-49, be withdrawn from the Committee of Supply, and referred to the said Committee, saving always the powers of the Committee of Supply in relation to the voting of Public Moneys.

R. T. GRAHAM,  
*Deputy Clerk of the House.*

*Attest.*

MONDAY, May 10, 1948.

*Ordered.*—That the said Committee be given permission to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence, and Standing Order 64 be suspended in relation thereto.

*Ordered.*—That the said Committee be empowered to sit while the House is sitting.

ARTHUR BEAUCHESNE,  
*Clerk of the House.*

*Attest.*

## REPORT TO HOUSE

MONDAY, May 10, 1948.

The Standing Committee on External Affairs begs leave to present the following as its

## FIRST REPORT

Your Committee recommends:

1. That it be given permission to print from day to day 500 copies in English, 200 copies in French of its minutes of proceedings and evidence and that Standing Order 64 be suspended in relation thereto.

2. That it be empowered to sit while the House is sitting.

All of which is respectfully submitted.

J. A. BRADETTE,  
*Chairman.*

NOTE: *Concurred in this day.*



## MINUTES OF PROCEEDINGS

MONDAY, May 10, 1948.

The Standing Committee on External Affairs held an organization meeting this day at eleven o'clock, Mr. Bradette, the Chairman, presided.

*Members present:* Messrs. Baker, Benidickson, Boucher, Bradette, Coldwell, Croll, Dickey, Jaenicke, Jaques, Knowles, Low, MacInnis and Winkler—(13).

In his opening remarks, the Chairman extended a word of welcome to Messrs. Baker, Dickey and Gauthier (*Portneuf*).

Mr. Bradette then referred to the members who were appointed delegates, alternate delegates and parliamentary advisers to the Second Session of the General Assembly of the United Nations held in New York in September 1947. Messrs. MacInnis and Low, who were present, expressed their appreciation of their appointment and commented briefly on the activities of the delegation.

The names of Messrs. Graydon, Coldwell, Low and MacInnis were suggested for the position of vice-chairman. This election was deferred until the next meeting to enable the chairman to confer with those interested.

The Chairman referred to the orders of reference.

On motion of Mr. Croll:

*Resolved.*—That the Committee ask for authority to print from day to day, 500 copies in English and 200 copies in French of its minutes of proceedings and evidence.

On motion of Mr. MacInnis:

*Resolved.*—That permission be sought to sit while the House is sitting.

After discussion and, on motion of Mr. Croll, the appointment of the members of the Steering Committee was left to the Chairman.

After further discussion, and on motion of Mr. MacInnis, it was decided to hold the next meetings on Wednesday, May 12, at 4 o'clock and on the Monday following at 8.30 in the evening.

It was agreed to hold meetings on Mondays and Wednesday until further notice.

At 11:40, the Committee adjourned until Wednesday, May 12 at 4 o'clock.

WEDNESDAY, May 12, 1948.

The Standing Committee on External Affairs met at 4 o'clock. Mr. Bradette, the Chairman, presided.

*Members present:* Messrs. Baker, Benidickson, Bradette, Breithaupt, Coldwell, Côté, (*Matapédia-Matane*), Croll, Fraser, Gauthier, (*Portneuf*), Graydon, Harris (*Grey-Bruce*), Jaenicke, Jaques, Kidd, Knowles, Lapointe, Leger, Low, MacInnis, Marquis, Pinard, Raymond (*Beauharnois-Laprairie*), Winkler—(23).



On motion of Mr. Marquis, Mr. Graydon was elected Vice-Chairman. He thanked the members for this honour.

The Chairman reported that he had designated the following members to act, with himself, as a Steering Committee, namely: Messrs. Beaudoin, Benidickson, Hackett, Harris, Leger, Low, MacInnis and Winkler.

The Chairman welcomed Mr. Harris, the Parliamentary Assistant to the Secretary of State for External Affairs. Mr. Harris was felicitated upon his appointment. He thanked the members and made a statement relating to

1. The departmental estimates (1949)—(final figures not yet available),
2. The Annual Report of the Department of External Affairs,
3. The United Nations Report to Parliament—(available on or about June 1st next).

He stated that the officials of the Department were at the disposal of the Committee.

A general discussion took place on future procedure and several suggestions were made with a view to effecting an orderly and active consideration of the matters referred to the Committee.

It was agreed to refer these suggestions to the Steering Committee.

At 5 o'clock, the Committee adjourned until Monday, May 17, at 8.30 in the evening.

MONDAY, May 17, 1948.

The Standing Committee on External Affairs met at 8.30 in the evening. Mr. Bradette, the Chairman, presided.

*Members present:* Messrs. Baker, Beaudoin, Boucher, Bradette, Coldwell, Côté (*Matapédia-Matane*), Dicker, Gauthier (*Portneuf*), Harris (*Grey-Bruce*), Jackman, Jaenicke, Jaques, Kidd, Knowles, Leger, Low, MacInnis, Marquis, Pinard, Raymond (*Beauharnois-Laprairie*) and Winkler—(21).

*In attendance:* Messrs. Lester B. Pearson, Under Secretary of State for External Affairs, W. D. Matthews, Assistant Under Secretary of State for External Affairs, S. D. Hemsley, Chief Administrative Officer, R. G. Riddell, Chief of the United Nations Division, and Hume Wright, Executive Assistant and Liaison with the Committee.

The Chairman read the first report of the Steering Committee recommending for the time being

1. To hear the Under Secretary of State for External Affairs, Mr. Lester B. Pearson,
2. To grant a request of Mr. Eric W. Morse of the United Nations Society of Canada and hear him after May 24 next.

This report was accepted and the Committee proceeded with the consideration of the estimates referred, being items 52 to 67 inclusive (1949).

Mr. Lester B. Pearson was called heard and questioned.

In a general statement on the Annual Report of the Department, Mr. Pearson referred particularly to and commented upon

- (a) the new form in which the annual report is presented,
- (b) the diplomatic representations abroad,
- (c) the consular services,
- (d) the reorganization of the department,
- (e) the international conferences.

In the course of examination, Mr. Coldwell quoted from a pamphlet of Mr. F. H. Soward "Canada in a two-power World"—Vol. VIII No. 1, April 1948.

It was tentatively agreed to hold, at a later stage, a joint meeting of the Committees on Foreign Relations of the Senate and on External Affairs of the House of Commons.

Before adjournment, the Chairman read extracts of a letter addressed to Mr. Harris, parliamentary assistant to the Secretary of State for External Affairs, under date of May 6th.

The Committee adjourned until 4 o'clock, Wednesday, May 19th.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*







## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 17, 1948.

The Standing Committee on External Affairs met this day at 8.30 p.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Gentlemen, we have a quorum. I appreciate the fact that you have found it possible to be here. The first item will be external affairs Vote No. 52, departmental administration. Before we proceed further I wish to read a report of a steering committee meeting held at my office at 2.15 p.m. today. Present were Messrs. Beaudoin, Bradette, Harris, Leger and Winkler. The steering committee recommends:

- (1) To hear a general statement from Mr. Pearson, Under Secretary of State for External Affairs on Vote 52 and the annual report of the department.
- (2) To grant the request of Mr. Eric W. Morse of the United Nations Society of Canada as per his letter and to hear him after May 24.

We have the pleasure and the honour to have with us this evening Mr. Pearson, who needs no introduction to you because of his renown. He is known not only to parliamentarians but to people across the length and breadth of this country. His words are listened to with great respect in the deliberations of the United Nations at Lake Success. I will now call on Mr. Pearson.

**Mr. Lester B. Pearson, Under Secretary of State for External Affairs, called:**

The WITNESS: Mr. Chairman and gentlemen, it was only a few hours ago that I was told that I was going to be given the honour of appearing before the committee this evening. Therefore, I have nothing very carefully prepared with respect to the work of the department. I understand it is your desire, Mr. Chairman, that I make a few remarks based on our annual report, more in connection with the organization of the work of the department than with the political matters with which the department has been dealing during the past year. I do not know how you wish to proceed but I think that on certain sections of the report members may have questions in their minds and, together with my colleagues, I will endeavour to answer those questions. The first thing you will note about the report this year is that the cover is printed in two colours. That is an innovation in the printing of parliamentary blue books. This is a parliamentary red and white book. It is an effort to cover the work of the department somewhat more exhaustively in some ways than has been attempted in the past. We had hoped, Mr. Chairman, and we still hope in the department, that we will not have to rely entirely on an annual report for making known what we are required to do in the department. We think that it might be useful if we could produce in a more informal way and make generally available, monthly reports of the work of the Department of External Affairs. We follow this procedure now for inter-office circulation and we feel



there is room for expansion of that practice. As far as this report is concerned however, it is the annual report covering 1947 and I have no doubt that most of the members of the committee have had a chance to look at it.

The report is divided roughly into three parts. The first part deals with some of the main subjects which have come before the department during the year and it gives some indication of the manner in which those subjects were handled. When you get to pages 22, 23, 24, and 25, you have a short analysis of our diplomatic representation abroad, the changes during the year, and so on, and then on page 23 there is given the organization of the department itself. Those three subjects cover the first part of the report. Beginning at page 26, you have the second part of the report containing individual reports from all our diplomatic missions abroad. Then, finally there are certain appendices. It might be of some interest to the committee if I called your attention to page 22 and the paragraphs dealing with Canadian diplomatic representation abroad. During the year, as the report indicates, we opened certain new diplomatic missions in Turkey, Czechoslovakia, Denmark, Italy, Poland, Sweden, and Switzerland. As well, there is now a high commissioner in India. In addition to the high commissioner in India we have established a delegation in New York—the delegation to the United Nations. We had a very small office in New York prior to 1947 but our election to the Security Council last year made it necessary for us to enlarge that office because the work of the department dealing with the United Nations was very greatly increased by that election.

Mr. BOUCHER: Might I interrupt there? I notice in your index you have referred to 32 diplomatic and consular offices abroad. Is that the number which Canada maintains, and of that number how many are embassies?

The WITNESS: At the bottom of page 22 the figures are given. We have 28 diplomatic missions and 7 consular offices in addition to the permanent delegation to the United Nations, the military mission in Germany, and a liaison mission in Japan. The total number of missions abroad, diplomatic, consular, liaison and military missions is 38 and of that number, as I have said, 28 are diplomatic proper, 7 are consular, and three are of special character—the mission to the United Nations, the military mission in Berlin to the Allied Control Council, and the liaison mission in Japan—in Tokyo. The 28 diplomatic missions include missions to the various parts of the commonwealth—the High Commissioner's Offices. There are 7 of these offices. There are 21 diplomatic missions to foreign countries. Of that latter number 13 are embassies and 8 are legations. However since this Annual Report was published a legation has been opened in Belgrade. Mr. Vaillancourt former minister to Cuba was appointed minister to Yugoslavia in January this year. In addition the Canadian ambassador to Belgium was accredited some time ago as Minister to Luxembourg. No property is owned in Luxembourg and no staff required but technically Canada is represented. Therefore if Yugoslavia is added and Luxembourg counted the number of diplomatic missions now stands at 30 and number of missions of all kinds totals 40. Perhaps I should point out that in our organization, and in transferring people we do not make any distinction between embassies and legations. There is no distinction in fact. There is a difference in theory but the theory is not important in fact. A man might be accredited to a legation which is a much more important post than a certain embassy, for instance our mission in Rome. Italy is an important one, but that mission is a legation. Our mission in Peru, however, is an embassy. Our general policy in the department, subject to the control of the government, is to remove if possible all distinction between embassies and legations. The distinction is meaningless and we think it should be abolished.

*By Mr. Cote:*

Q. If I may interrupt a moment, I think, notwithstanding the fact that embassies, or whatever you call them, legations, are quite important, I see you



have 28 missions and 7 consular offices. This is quite an increase as compared with a few years ago. So far as consuls are concerned, are there many consuls still acting for Canada who are not Canadians?—A. In consular positions, you mean?

Q. Yes.—A. Oh, yes. The situation in respect of countries where we have no diplomatic missions and in countries where, although we may have diplomatic missions we have no consular post, is that the United Kingdom, following the tradition of the past, looks after Canadian diplomatic and consular interests. We have consular posts now—

The CHAIRMAN: If you will allow me to interrupt for one minute, would the committee prefer to have Mr. Pearson proceed with general remarks and then have a question period? Is that satisfactory to the committee, that we proceed on that basis?

Mr. COTE: I think it would be a good idea to clarify matters as we go along. I believe it would be much quicker to proceed in this manner.

The CHAIRMAN: I am in the hands of the committee but I believe that in matters of such importance, if Mr. Pearson were allowed to give a word picture of the activities of the department and then have a period of questioning, it would be conducive to efficiency. Of course, that is my own opinion.

Mr. COTE: I think it should be left to Mr. Pearson to decide.

The WITNESS: I can satisfy both points of view on this particular matter. I have now come to the question of consulates with which I was going to deal in somewhat more detail. We have now 7, I think that is the right figure, Canadian consulate generals or consulates. In all countries and in all cities where there are no Canadian consulates, but where there are British consulates, the British government, through these consulates, looks after Canadian consular interests.

However, in addition to our 7 consulates there are trade commissioners' offices in various parts of the world. Although they do not come under the Department of External Affairs, yet they do a good deal of consular work for Canadians who may need their help in cities in which they are located. The consular division in our department is very young. It has only been in existence a very short time. It was not very long ago, I think it was in all probability a year or two ago, that we only had one Canadian consulate, though during the war, we did have special consular offices which had to be opened. It is interesting to note in that connection, that while we have only 7 Canadian consulates, three of which are in the United States, there are in Canada 197 foreign consular officers. A country like Brazil which is roughly comparable to Canada in size and, probably in international importance, has 53 consulates where the offices are in charge of professional consuls or full-time career men. In addition, Brazil has 74 other consular offices which are staffed by non-career or honorary consuls. So, the development of Canada in respect of consular representation has not gone very far.

We have, in the United States, a consul-general in New York, a consul-general in Chicago and a consul in Detroit. Parliament voted appropriations last year to provide for the opening of two or three more consulates and it is planned by the department, with the approval of the government, to open a consulate-general in San Francisco on July 2, and a consulate in Boston later in the year. Possibly before the end of 1948, one further consulate will be opened on the Pacific coast, probably Los Angeles. We have made provision only to that extent in the way of consular development up to the present.

The organization of the department, itself, is dealt with very briefly on page 23.

*By Mr. Cote:*

Q. If I may be permitted, I should like to ask a supplementary question of Mr. Pearson. If I remember correctly, we only had one consulate last year.



What is the policy of the department with regard to increasing the number of consulates throughout the world during the present year, let us say?—A. During the present year, as I have just said—

Q. Besides Los Angeles and Boston, I mean?—A. We have no plans for any further development to the end of 1948. As I have just said, our plans take in the opening of consulates in San Francisco, Boston and possibly Los Angeles. Whether we expand further in 1949, will depend on the policy of the government. Our departmental appropriation for 1948 did not permit the opening of more consulates that I have just mentioned.

Q. If my recollection is correct, last year the committee was told that the policy of the government was to do away with the privilege of having our consular work done by the United Kingdom, in so far as possible, and establish our own consulates as quickly as possible. I think my recollection is correct. I should like to know whether the government policy has changed or are we going to carry that out?—A. I might mention one thing which has a bearing on that; although the policy in that regard is not for the department to decide, but for the government to decide, we have established in the department itself, a consular division to which we are allocating foreign service officers and consular officers for training as they come in. This year I doubt whether we would have been able to staff with any experienced external affairs officials more consulates than we have been able to open. We will be able, in 1949, probably, to take care of one or two more consulates if the government desires to open them. It is not an easy job to build up a consular service quickly, unless you decide to go outside the civil service and appoint people to consulates irrespective of their experience in the department.

*By Mr. Jackman:*

Q. Are you making a distinction between diplomatic personnel and consular personnel? What was the situation in that regard a few years ago? Were we not endeavouring to merge the functions?—A. That was the situation and it still is the situation. In the department we are making no distinction between consular officers and diplomatic officers. We have however had examinations through the civil service this year for consular officers only. The reason we did that, I hope I will be corrected by some of my colleagues if I am inaccurate in some of my facts, the reason we did that was that the qualifications laid down for foreign service officers by the Civil Service Commission included graduation from a Canadian university. There were certain people who applied for entry into the diplomatic service, the foreign service, who did not possess that technical qualification of a degree from a university. Some of them were returned men who probably, if it had not been for the war, would have had a degree from a university. Therefore, we had examinations for consular officers and the Civil Service Commission agreed with us to establish qualifications for this examination which did not necessitate a university degree. We would hope that in future there will be one examination only for foreign service officers and these officers will be allocated consular positions, embassy and legation posts or departmental positions without any distinction. In other words, they would all be consular service and diplomatic service officers.

Q. Will it mean that they will be interchangeable?—A. They are now with respect to some of our officers. We are now sending to consulates Foreign Service Officers. We put a foreign service officer into a consulate and we tell him he may be asked to work in a consulate for two or three or four years and then he is just as likely to be moved, let us say, to the embassy in Peru as to another consulate.

Q. I am sorry I was a little late coming in. I understand now that we have some consular offices open, that we have one in the city of New York; and we have one in Chicago which has been there for some years.—A. No, it was opened last year.



Q. That is Mr. Turcotte's position, I understand you call him the consul general?—A. A consul general.

Q. And we are now opening a consulate at San Francisco?—A. That is right.

Q. Are there any others contemplated in the United States?—A. Yes, one in Boston; and Detroit is already open, that is, it has been established.

Q. I notice in the estimates, for instance, that Mr. Turcotte receives \$10,000 and \$6,000; I am not sure which is salary, I presume it is the \$6,000?—A. \$6,000 is his salary, and \$10,000 is his living and representation allowance.

MR. JACKMAN: Of course, that is a very expensive office to open where you are in a large city with high rentals, the costs are bound to be very high. However, we are getting full value in every case—of course, we must have one in New York where there are so many applications for passports, visas and so on; work of a type which must be done there; also the various services of one kind or another which require to be given. But with respect to passports, for instance, most of that material is sent on to Ottawa for review by the chief passport officer. You would not call the job they do down there one requiring very much discretion, certainly it does not require a high degree of discretionary ability because the passport officer here at Ottawa does practically all the work. I was just wondering what are the various services that these consuls general perform in the United States to justify the large expense of salary, staff and office rental. We seem to be going ahead fairly quickly so I would think there would be compelling reasons of which I am not aware as to why these offices are being opened.

MR. COTE: Mr. Chairman, I think we should be fair to Mr. Pearson. He has already told us that there are many places where we utilize the services of the United Kingdom consular people, and I think we would do well to have our own representation at points now served in that way because that would be more fair and would get more direct and quicker action and it would give us better representation.

THE WITNESS: Mr. Chairman, we never, of course, pay the United Kingdom government for any consular services that they do for Canada. We have in the past approached them when we were thanking them for services of that kind and wondered whether they would like to bill us for charges incurred, but they have never been willing to do that sort of thing, considering it to be their duty to look after all British subjects. When there was no Canadian consulate in any particular city they undertook that duty for Canadians. One of the reasons for opening consular offices in the United States, and this might have some bearing on Mr. Jackman's question, is that in certain British consulates in the United States a very considerable proportion of the work for the last forty or fifty years has been work for Canadians; at places like Detroit and Buffalo. We have gone over the ground very carefully and made a careful survey last year of all the main British consulates in the United States. We sent the chief of our consular division to visit them to find out how much Canadian work was being done by British consuls for Canadians and we found that in some cases a very considerable proportion of the work they did was Canadian work. I suppose that was one consideration which prompted the government to open consulates in these particular places where the work for Canadians was being done by British consulates. They were doing work which we should have done ourselves. I do not know whether you were in, Mr. Jackman, when I mentioned consular development in other countries. We have seven consulates all over the world to look after Canadian consular interests. Brazil has 127.

MR. JACKMAN: Some of them are in Canada?

THE WITNESS: Some of them are.

MR. KIDD: Before we leave this item of consulates, did you mention that we had five or six consulates now in the United States? I think you referred to



New York, Chicago, Buffalo, Detroit, San Francisco and Boston. Are the Americans opening any consulates in Canada, do you know?

The WITNESS: I cannot tell you that off hand. I know they have a great number of consular offices in Canada. I think they have closed a few of them, but they may have opened some as well.

Mr. KIDD: My reason for raising that point was this—and I think members of the committee will bear me out when I recall that I raised this point last year—that we used to have an American consulate in Kingston. It did serve a purpose, but of course, during the hard times and the war coming on that consulate has been closed; and recently, within the last 12 months, I have had my attention called to a situation where citizens who have consul affairs to be attended to now have to go to the inconvenience and expense of going to places like Toronto or Montreal. They used to have a consul there who would make their papers. He got a little fee for making the papers out, just enough to keep him going. I know that that is a matter of government policy and I know that Washington controls that, but I would like to see you use your influence to get that consulate reopened. I think we should have a consulate at Kingston and at many other points across Canada. Speaking from a personal point of view, I think they could render a service. I could tell you of one case, that of a man who was going to a college across the line and he wanted to move his wife and family over and he had to come back to Kingston and then he had to go to Toronto to get his papers filled out and then return a week later. He lost a day in Toronto filling in the necessary forms about the child. He had to go to considerable expense, plus the time involved. And I think that some time in the near future probably it might be a good thing to see if we could get these consular services re-established at border points. I am just bringing that to your attention. I know that it is not possible to have an American consulate at every point where we would like to have one, but this was more or less of a business office where the consul picked up pin money by signing vouchers. I would like to bring that point to your attention now that we are dealing with the matter of consulates.

The WITNESS: I really believe it would be up to the member for Kingston to make his representations to Washington.

Mr. KIDD: I just wanted to let you know.

*By Mr. Jackman:*

Q. May I ask if our consuls are allowed to pick up this pin money for visas and these things?—A. That is right. Our consular service is very young. We have not yet worked out all our consular regulations in the detail we would like but we have established some, I think, for consular fees or charges generally. I would like, Mr. Chairman, if you thought wise, to have the head of our consulate division appear before the committee. I have warned him he might be required to appear. He has a memorandum prepared on the work of the consular division and the work of the consulates abroad. He would be able to give you an indication of what they cost and the activities of the consular branch generally. I think he would be in a better position to go into the matter in detail than I am.

Q. May I ask Mr. Pearson this question in regard to consulates and perhaps this goes for the ministerial and ambassadorial staff in the various countries as well where inflation has had a greater effect than it has in Canada. How or what adjustment is made to allow them to live and maintain their position in the currency of the country where they are resident? That is to say, suppose the salary they get in Canadian dollars or even in American dollars, while adequate in Canada or the United States, is totally inadequate in the country of residence because of the high degree of inflation, what adjustments are made



in that regard? I may say I may have raised the question before but in Guatemala, for instance, our commissioner or consul down there I felt had a rather strong case, from personal observation, for better living conditions.—A. We have no consul in Guatemala. We have a trade commissioner and, of course, as such he comes under the Department of Trade and Commerce. However, I think your question would apply to consular officers and external affairs officers in those countries generally. I may say representatives of the department abroad never hesitate to bring it to our attention when they discover they are being inadequately reimbursed, or if inflationary conditions develop in some of these countries as indeed they have developed within the last twelve months. They certainly let us know that what might have been adequate in 1947 is not adequate in 1948. We have been relying on the Bureau of Statistics to keep track of these inflationary tendencies and the cost of living in these countries, and our allowances are based not solely on what our representatives abroad say they must have. I have been abroad and I know the situation. Sometimes your ideas of what is required are a little beyond those of the people in Ottawa. Allowances are not based entirely on the ideas of the people in the department as to what they ought to have abroad. We think an outside party, like the Bureau of Statistics, whose job it is to keep track of costs of living and, who will do this for us, should lay down the conditions on which we determine our cost of living allowances in foreign countries. I think that also applies to trade commissioners.

*By Mr. Jaques:*

Q. Our consuls would be paid, of course, in Canadian funds?—A. Yes, they would be paid in Canadian funds converted into the currency of the country where the consul is posted.

Q. If the country is highly inflationary it simply means our funds are worth that much more on the exchange. I should think inflation in those countries would be more of— —A. I think the important consideration for the man on the spot is how much the currency of the country, no matter what its relation to the Canadian dollar is, will buy in terms of commodities and services in that country. We have recently made a very exhaustive analysis of the cost of living in countries where we are represented through the Bureau of Statistics. As a result of that we have adjusted the allowances of officers abroad to take care of cost of living conditions. That adjustment has in some cases resulted in an increase in allowances. In other cases it has resulted in a decrease. The increase has always been cheerfully received. The decrease always causes a certain amount of trouble, but we attempt to be objective and have a criterion established by some other authority than the department.

Mr. COTE: I think there is an effort to trip over dollars to reach cents. I do not think this question is as important as it may look to certain members of the committee with regard to how much it costs to have consulates here and there. At this juncture what I think should be dealt with is whether we should have consulates or should rely upon the United Kingdom which has made a great sacrifice at no cost to us, as was just established, to supply us with consular service all over the world, and which it can no longer do. On other counts we have done a great deal in Canada to help Great Britain. I think this is also one place where we should do a great deal to help Great Britain so as to release her of responsibilities that are after all not of primary importance to her. If that principle is admitted I believe we should foot the bill. We have been footing the bill for other items. Why should we try to trip over dollars, as I said, to reach cents in this particular field? I think on more than one ground we should not even discuss how much it costs to establish our consulates now because it is about time we assumed our own responsibilities and establish our own consulates and pay for them. We should not ask Great Britain to do so for us.



In the second place I think it is about time that we look after our own affairs if we are as important as we are said to be at times in the affairs of the world. This is one thing which has very much to do with the affairs of the world. I do not see why there should be any objection to having a branch office or a manager, or whatever you may call it, here and there to look after our own affairs instead of imposing any longer on Britain.

Mr. BOUCHER: I am afraid I started something when I asked our esteemed deputy minister a question, but I think probably we would make better progress if he were to tell us first of all what he wants to say and then we can question him later, rather than have us tell him something.

Mr. LOW: A profound statement like that should entitle one to a consular appointment.

Mr. COTE: I am not an authority, but I would rely upon the department to decide on this.

The CHAIRMAN: The question of Mr. Boucher was certainly a very good one. I think the consensus of opinion was that Mr. Pearson should make his statement and that it should be left to him to decide whether a question could be readily answered at any given point or whether it should wait until the end. Therefore I will leave it in the hands of Mr. Pearson, who is an experienced man in these deliberations.

The WITNESS: There is just one other point on this question of consulates which is an illustration of the close working relationship we have established with the trade commissioners' service. Not only is there exchange between the two services, I mean by that a man can transfer entirely from the trade commissioner service to external affairs, as has happened in at least three or four cases. We have made a trade commissioner an ambassador. We have made one a consul-general. We have transferred a trade commissioner to an embassy as first secretary. We have transferred a trade commissioner to be a second man at Canada House. Not only has it been done in that way but where a trade commissioner is situated in a foreign country where there is no diplomatic mission, and where he feels, or his department feels, that he could do his job better if he were called consul-general, we agree to that. That means something by way of giving him more direct access to the government of the country in which he is living. He is given that title as consul-general even though he is still under the jurisdiction of Trade and Commerce. He is their trade commissioner, but is called consul or consul-general, if that helps him in his work. In so far as his consular functions are concerned he reports to External Affairs. One example of this is Venezuela where the trade commissioner is a Consul-General. Another example is Portugal. In the Consul-General's office in Lisbon we have also attached a foreign service officer from External Affairs to help the trade commissioner. Sao Paulo in Brazil is another example where the Trade Commissioner is called consul-general. That illustrates the very easy, informal but effective relationship we have with the Department of Trade and Commerce so that we may together meet these situations as they arise.

*By Mr. Jackman:*

Q. You do not give these Trade Commissioners any extra remuneration?—  
A. No, that is true, but the allowances of the Trade Commissioners are supposed to be based on the same criteria as those of foreign service officers. They come under the same scheme I mentioned earlier for establishing allowances through reports of the Bureau of Statistics. Their situation has improved a great deal in the last six months. I think that is right. They are not under the Department of External Affairs and we have no direct control over their salaries or allowances.



Q. The particular case I mentioned was that of a trade commissioner. I really felt very sorry for this gentleman who is a splendid type of man and whom many will know. He was performing from time to time, I think, certain diplomatic functions, not only in Guatemala, but in some of the other Central American republics. The result was that he had to maintain Canada's position with the diplomatic people there. He had none of the advantages at that time, which was in November of 1946, which meant that everything he brought in was subject to duty and he had to bring in even powdered milk for his children as the local supply was not of a proper nature. He did not have the other advantages which go with diplomatic representation; and one of the other difficulties was that a trade commissioner as such was not known in the Latin American countries. They thought that the commissioner was someone who opened the door of an automobile or something like that. They understood what a consul was and what a consul general was, because that was an accepted term in their own diplomatic parlance; but in the case of a trade commissioner in Guatemala who did perform, I think, some diplomatic functions, perhaps of a minor nature—and on that point the Under Secretary of State will correct me—I felt that he did not have an adequate allowance on which to represent Canada in the various functions which he was undertaking.—A. Well, if the Department of Trade and Commerce would come to us and suggest that this man's usefulness would be increased to Canada if he were called a consul general and his allowance were increased accordingly there would certainly be no objection on our part; but it is nothing that we can initiate because he is not with the Department of External Affairs. Maybe the matter could be brought to the attention of the Department of Trade and Commerce and we would be glad to co-operate in anything we can do to improve his position.

Q. The one reason I had for bringing it up here is that he exercises a semi-diplomatic function, in being the only Canadian there; and that might get him into what we might call the higher expense category. If we are appointing some of these trade commissioners to perform functions for the department in the absence of any direct representation from the Department of External Affairs I think some consideration should be given to the various things that they have to perform on behalf of Canada.—A. I shall be very glad to take that matter up, if you would like me to do so, with the Department of Trade and Commerce to see what can be done with that particular case.

Q. Thank you.

*By the Chairman:*

Q. With regard to the matter of examination for consular offices with regard to which you abolished the necessity for a university degree, have you any reaction in that connection: did it prove beneficial or natural to do so?—A. Mr. Chairman, it did in this particular case, because there were some very good ex-service men who, as I think I said before, did not have a university degree but who were successful in the examination, and who have been appointed to the department. We would expect that that situation would not recur and that in future we could have one type of examination.

Q. Is there not a danger—I am asking this question for my own information—is there not a certain amount of danger of exclusiveness? For instance, the other day there was mention of the marvelous work done by the American representative in Rome during the recent general election in Italy, and it was claimed that he showed some wonderful qualities which he would never have had a chance to show except under stress. Although he was not a career diplomat he gave a marvelous demonstration of his ability. In the United States I believe a lot of these men qualify for these positions because they



have had certain qualifications in business, professional or public life. Would you comment on that?—A. I can comment on that. I think the example you have chosen is probably not a good one for the purpose intended, because the United States Ambassador in Rome is one of their most experienced and senior career officers. He has been in the State Department, I should think, about thirty years. But it has also been the practice in the United States to appoint to diplomatic missions, when it is desired to do so, men who are not in the State Department at all. That practice has also been followed by the government of Canada. There have been two extremes, I think, in this connection on the part of governments: the British very rarely go outside of the foreign office for diplomatic appointments. When they have gone outside they have made some very successful ones, but they do not go outside very often. The incoming British ambassador in Washington is an example of going outside of the service; but he is very much the exception.

In the United States, the rule, up to the last year or two, has been to go outside the career service for appointments to the most important posts. It was not very long ago when no career man could expect to be the United States Ambassador at London or Paris or in any of the other important posts.

In the Canadian service—which is a young service and has not had much experience about these things yet—we have followed a sort of half-way course between the British and American practice. Some of our heads of missions are career men and a good many are not; so we have had experience with both types of diplomatic officials.

*By Mr. Low:*

Q. What is your conclusion?—A. I think you cannot do much better than the inspired amateur; all amateurs are not inspired.

*By the Chairman:*

Q. I mentioned that case because the other day in the House of Commons a worthy member of our committee, Mr. Gordon Graydon, speaking of the present delicate situation in Palestine, expressed the wish that some of the outstanding men in world service, like Lord Mountbatten—and he mentioned another name—might hold some very important position. Oftentimes the position makes the man; and there might be a certain amount of frustration if a certain class of our people, who might be well qualified to hold the post, could have no chance of reaching some of the high positions in the consular service.—A. My own view would be that you could not build up an efficient diplomatic service if the career men did not feel they had a chance to fill the top posts if they were fitted for them. Nevertheless, I think there would be danger if the top diplomatic posts were always filled from members in the service. It is a good thing to bring in new blood occasionally from outside. If a man is well qualified for a particular job he certainly should not, in my view, be ineligible for appointment because he did not enter the Department of External Affairs in the ordinary way.

The organization of the department as such in the offices abroad is on page 23. You will note that the work of the department is divided into eleven divisions, the United Nations, the British Commonwealth, the European, the American and Far Eastern, the protocol, the consular, the legal, the economic, the information, the personnel, and the administrative divisions. The general scheme of organization is that the three geographical divisions, the British Commonwealth, the European, and the American and Far Eastern are under the direct supervision of the assistant under-secretary of state in charge of the political side of the department. Certain other divisions, the United Nations, the consular, the legal, the economic, and the information divisions report directly to me. The Personnel Division and the Administrative Division are under the



charge of the assistant under-secretary of state in charge of administration. The United Nations division is one whose duties have been increasing very considerably during the last year.

Mr. Low: Who is in charge of that section?

The WITNESS: Mr. Riddell. The work has of course also increased due to the fact that we were elected to the Security Council. The United Nations division has the large responsibility of arranging for all international conferences, not merely United Nations conferences. The committee may be interested to know that in 1947 we were represented at 86 international conferences of one kind and another. Some were very important and others were not so important. The particulars of these conferences are given at pages 76 to 84. The technical and the preparatory work required for 86 conferences is in itself a very considerable task. I looked up this afternoon the list of figures for the latest month, April 1948, and we were then participating in 14 international meetings. You can see how extended the operations of that particular division has become.

Mr. HARRIS: May I interject a question there? Is it likely that the large number of conferences will continue or has that situation been largely due to the post-war work which will not be recurring?

The WITNESS: I would hope that the number may decrease but I would not be too confident of that because if you will look through appendix B beginning at page 76 you will see that the great majority of those meetings were devoted to subjects which are not likely to become less important through the years ahead. Some of them are specialized post-war meetings, attendance at which will not be necessary again, but most of them are attributable to the complexity and importance of modern international life, especially in technical, cultural, and economic fields.

It might be said, that apart from the work of the various divisions into which I will go in detail if questions are asked, a very important aspect of the work of the Department of External Affairs is co-ordination. There are many questions which may concern three or four departments, and which have a certain international importance. We find that the way in which the government normally deals with those questions, until they reach the policy stage, is by setting up an inter-departmental committee. I asked the other day for the list of such committees on which the Department of External Affairs was represented. In a good many of those cases we supply the chairman and at the present time our staff, which we think is not too large for the ordinary work which we have to do, is represented on 40 different interdepartmental committees. That system has added considerably to the burden of the department. Now, Mr. Chairman, I do not know whether there is anything more I can say at the moment but I would be very glad to deal with any questions which may have arisen out of the examination of this report.

The CHAIRMAN: As we have the services of Mr. Pearson, I believe that we ought to make the meeting an open one in order that he may answer your questions.

Mr. COLDWELL: May we ask questions on anything at all?

The CHAIRMAN: I do not suppose Mr. Pearson would have any objection.

*By Mr. Coldwell:*

Q. I was looking at page 6 of this document the other day and I have particular regard to the German situation in which we are interested. I see that Canada has some views. On page 6, in the third paragraph, the last sentence reads: "To achieve these ends the Canadian government suggests the early establishment of an economic commission for Europe, a measure of international



control over certain German industrial areas such as the Ruhr, and the decentralization of German monopolistic industry and finance". Just exactly what does that mean? How would that be achieved? How is it possible, in the Ruhr, to decentralize German monopolistic industry? Does that mean industry would be broken into various component parts and restored to German ownership, or exactly what does it mean, and what is the view of the government?—A. I am afraid I have not all the facts of that particular case before me. This paragraph was, however, taken from the memorandum which we submitted over a year ago when we thought there was reasonable prospect of a German peace conference and those are certain ideas which we put up for consideration in the eventuality that we might participate in that conference. As you know, the situation has changed radically during the last year and certain ideas which might have been valuable if applied to a unified Germany might have to be modified when applied to a western Germany. I would not like to argue that this is the exact kind of solution which the government put forward in connection with a union of the three western zones of Germany.

Q. Just on which side do we stand? This matter is causing a great deal of discussion in the European countries at the present time. One view is of course that you would restore German industry either on a monopolistic basis or on a decentralized plan to German ownership—that is German industrialist ownership—and secondly, that the only solution is some form of public ownership with international control. What do we think?—A. As far as I know, the government has not expressed any formal view on this matter to the representatives of western Europe.

Q. Nor to the United States and Great Britain?—A. They have been meeting in the last two or three months in London and elsewhere to work out a scheme of political organization and, to some extent, a scheme of economic organization for western Germany. That is an admission of the impossibility of bringing about a German peace settlement at this time. The countries that have been taking part in those talks—and you possibly know this as well as I do—have emphasized federalization, decentralized political control—the importance of the states—and the necessity for international control of the Ruhr. There have been very important exchanges of views between these governments. The French government's views on this matter are coloured by the danger of a revived, restored, and belligerent Germany. We can understand that they would be pre-occupied with that phase. The United States views are coloured by the necessity of restoring Germany to some form of industrial power which the United States believes is important to the reconstruction of Europe generally, and which may also buttress western Europe on democracy against an attack from the east. The United Kingdom has taken a sort of half-way position, in between, as is so often the case. The Canadian government so far as I know—Mr. Riddell may know more about this than I do—has not yet submitted any formal views on the organization of the three zones of Germany.\*

Q. Either politically or economically?—A. We have brought to the attention of some of the governments concerned, certain views. They have not been put forward as the views of the government as yet. A memorandum which does embody some of the views of the department is now before the government.

Q. What I had in mind was the political future of these parts of Germany is so dependent on the economic organization of the Ruhr, that that is really the point I was trying to get at, whether we had any views regarding how the economic reorganization of the Ruhr should be brought about. I think upon that depends very much the political future of parts of Germany, perhaps even all western Germany?—A. Well, I think our first statement gave some indication of the importance we attach to the economic organization of Germany, particularly of the Ruhr. I think I can say that the government—I have, of course, no right to speak for the government—is, and has shown that it is, aware of the danger of restoring the Ruhr to the old form of German cartel control.



Q. That is what I had in mind.—A. One of the difficulties in putting forward any view formally is that the machinery which was being devised to permit of a certain participation by other countries in the German settlement has now been scrapped because it is impossible to bring the Russian zone and the other zones together in any form of organization.

The arrangements which are being made now are more or less in the nature of emergency arrangements and the Canadian government has not asked to be allowed to participate formally in them. These emergency arrangements are tied up with ERP and a lot of other things. All the government has done so far is, through its representatives abroad, to let the governments who are concerned, the United States, the United Kingdom, France and the Benelux governments know our interest in the problems they are discussing. I would not feel I could go any further than that at the present time.

Q. We are keeping informed, and have we observers?—A. Oh, yes, we are keeping informed and we have observers in London and Berlin who keep us informed of the discussions which are taking place.

Q. So far, we have not expressed any views?—A. So far, we have not expressed any formal views.

*By Mr. Jaques:*

Q. I have two questions to ask. Has the Morgenthau plan been abandoned or what was called the Morgenthau plan?—A. I do not think any of the governments concerned, even the United States, is expecting the Morgenthau plan for Germany to be carried out. I think it is safe to say that that has been completely abandoned. That was a plan by which Germany would become a pastoral community without any heavy industry.

Q. I saw a statement the other day that the United States in connection with the reconstruction loan to Great Britain, would watch but would not—putting it in broad terms, they were not going to bonus the socialization of industry. If that is true in so far as the United Kingdom is concerned, would they make an exception for Germany?—A. Well, I do not know about that; that is a matter of very high policy. I think, probably you are referring to Mr. Hoffman's statement the other day in connection with ERP; that the guiding consideration of the ECA, the administration for ERP, would be whether the act performed ministered to the reconstruction of the country which is getting assistance. I think he went on to say to the Congressional Committee that if certain equipment or certain material were required—I use this as a hypothetical example and I believe he used it too—for the nationalization of the steel industry in Great Britain, he might possibly, as administrator, say that this would not assist reconstruction because nationalization in England at this time might cause certain immediate dislocations which would be inadvisable as slowing production.

Then, he went on to say, however, that if certain material and equipment were required for the coal industry, which has been nationalized, to help production, that might be a different matter. The criterion would be whether the help asked for ministered to production and reconstruction. Whether that would apply to the Ruhr or not, I do not know.

Q. That was the point, whether they were going to have one policy for Great Britain and another for Germany?

*By Mr. Coldwell:*

Q. This was just handed to me, Professor Soward's book, "Behind the Headlines", series Canada in a Two-Power world. Here, he summarizes the submission made by Canada— —A. That is the first submission?

Q. Yes. Apparently, what you said is confirmed here except that we seem to have rather more definite views than you indicated.

In this statement, the government offered an ingenious suggestion that has not received the attention it deserved. Canada proposed that, in view



of the absence of any German government, the allies should frame, instead of a peace treaty, an international statute constituting a new German state and governing the relations of that state with its neighbours and with other parts of the world until it can be replaced with a permanent treaty.

I remember Mr. St. Laurent saying that in the House.

Canada also favoured a federal form of government for Germany with the reserve powers in the hands of the states, an economic commission for Europe which would study the German problem, and control of the Ruhr industries by an international authority drawn from the representatives of all allied countries having a major trading interest with Germany. It recommended a review of the existing agreement on reparations and the prohibition of any German armed forces except a police force for internal security.

Now, the point I had in mind is that, "control of the Ruhr industries by an international authority drawn from the representatives of all allied countries having a major trading interest with Germany"?—A. That submission was made on the assumption it would cover the whole of Germany and it would be administered by an international agency on which Russia would be represented. That situation has disappeared and no subsequent submission has been made to cover one part of Germany alone.

Q. In other words, there might be a change?—A. I would not like to suggest there has been a change.

Q. No, I said there might be a change?—A. Well, if the government desires to change that, the next submission, if a submission is made, would be to the occupying powers in three zones, France, the United Kingdom and the United States. So far as I know, no formal submission has been made covering that problem.

The CHAIRMAN: Mr. Cote, you wanted to put a question?

Mr. COTE: No, it is all right.

*By Mr. Kidd:*

Q. Mr. Pearson, in perusing this report, I notice page 17 has to do with Newfoundland and page 48 concerns a report from our High Commissioner in Newfoundland. My question is prompted by a report which appeared in the press over the week-end to the effect some 50 American senators appeared to be interested in this colony. Has anything developed lately in that regard which can be released?—A. Well, in connection with that particular matter I only know what I read in the press and what we get from our representative in Newfoundland. As you know, there are three questions which have to be decided upon by the Newfoundland electorate. Within the last month or two, however, there has also developed a movement in Newfoundland for some scheme of economic union with the United States. The confederation proponents in Newfoundland have attempted to show that this would be quite impossible, that you could not have economic union with the United States because that would admit Newfoundland fish into the United States free of duty and the Gloucester fishermen would never stand for that. The confederationists then secured certain expressions of opinion from the United States which they publicized in Newfoundland to show that this was impossible. Now, the economic union group, headed by Major Cashin, I think, has been attempting, in the course of election campaign—if I may call it an election campaign—to secure expressions of opinion from certain United States senators, including Senator Taft and Senator Wagner, which have been very friendly to Newfoundland; favourable to increased trade with Newfoundland, though they have not been very specific on particular points. Major Cashin has made great play with these replies which he has received; I think he said they represented the views of a majority of the Senate.



Mr. COLDWELL: I think there were fifty-three senators who have indicated their support. How would that be regarded by Canada, because economic union will probably lead to political union?

The WITNESS: There is no question of economic union, because it is not on the ballot, but possibly this may be. I have to be very careful in talking about Newfoundland, this may be a device to gain support for responsible government.

Mr. COTE: As a matter of fact, if I may point out, I have seen two or three copies of newspapers which were published in St. John's lately which bear out entirely what Mr. Pearson has said. I do not think the gentleman in question was sponsoring the fifty-three senators, I think the fifty-three senators were sponsoring him to an extent, as was brought out by certain people here in the House. On account of the bearing it may have on the forthcoming referendum this matter is quite important. I see no sign as yet of any endeavour on the part of Canada to align Newfoundland with us. I think a lot of money has been spent and a lot of propaganda carried on—I have seen it a great many times—propaganda designed to give the impression to the people who are going to vote on the issue that they will have a better deal with the American people than with the Canadians. It would seem largely to be designed to help restore the former regime—the government which held office prior to Newfoundland being taken over by the commission—to office.

Mr. BAKER: This is apparently an attempt to draw a red herring across the trail.

The CHAIRMAN: Have you any further questions for Mr. Pearson?

*By Mr. Boucher:*

Q. You have told us about the number of diplomatic missions we have abroad. Could you give us any information as to the situation in the immediate future as to the extension of diplomatic missions in Canada from other countries, and from Canada to other countries?—A. Of course, that is a matter for the government to decide, but I think probably it is not inappropriate for me to say that we are, I think, perhaps reaching a point where we do not need to expand too far too fast. We are now represented in most of the important countries of the world, where we have certain interests. But having said that I should add that we are being very hard pressed by other countries who wish to open diplomatic missions in Ottawa. They do not like to do that unless we reciprocate. There are about five countries we have been holding off now for a couple of years—that is, the government have been holding them off—on the ground that we are not able to reciprocate at the moment.

Q. If we allow them to open a mission here we will be required to open one there?—A. We feel that we will be morally obliged to do so. In some cases that would be a condition on which they would open a mission here. I have no doubt that over the years there will have to be an extension of these services to certain other countries, but I think the period of rapid expansion, for instance as in 1947, has about come to an end. But we certainly will not be able to stop forever with 29, unless we are willing to incur the displeasure of certain countries.

Mr. COTE: Mr. Chairman, I wonder if Mr. Pearson could give us a statement on foreign policy, following up what was so ably expressed in the House by his Minister.

Mr. HARRIS: I think, Mr. Chairman, it was intended to postpone political discussion until a later time.

Mr. LEGER: Mr. Pearson will be with us again?

The CHAIRMAN: Yes.

Mr. COLDWELL: I certainly hope that will not be overlooked.



Mr. COTE: I think such a discussion is vital to the work of this committee. I do not mind it being postponed, but if this committee is to serve a useful purpose I think we really should discuss matters of foreign policy and our position in respect to foreign policy which was so ably laid down in the House by our brilliant minister on a recent occasion.

Mr. HARRIS: It was the intention to have Mr. Pearson meet a joint sitting of the committees of the House of Commons and the Senate.

Mr. JAQUES: Later?

The WITNESS: Yes.

Mr. JACKMAN: Mr. Pearson, may I ask in regard to these consular representatives in countries where we haven't got our own and have to use the United Kingdom consulates? I suppose that affects a very large number of countries and places in those countries at the present time, probably running into the hundreds?

The WITNESS: Yes.

Mr. JACKMAN: Now that we are so much a sovereign nation although still an active member of the British Commonwealth, by what right does a Canadian citizen apply to a British consul, let us say somewhere in deep dark Africa, for representation and for help; is it because of common kinship?

The WITNESS: Well, I don't suppose he has any right at all.

Mr. LEGER: He has the right of a British subject, a common citizenship.

The WITNESS: We haven't a common citizenship in every sense. A citizen of Canada is also a British subject, but not necessarily a citizen of the United Kingdom.

Mr. COLDWELL: Is not a Canadian citizen still a British subject? Canadian citizenship carries with it the rights and status of a British subject, and a good many of us are still British subjects although we are not specifically Canadian citizens.

Mr. COTE: A British subject is better off. We pay higher income tax.

The WITNESS: Maybe I should not have said we had no right. The question of right does not arise because when this question has been discussed with the United Kingdom government in the past as to whether we should assume some financial obligations for the work that they have done for Canadians, they have always said they considered it a function of British consular offices to look after all subjects of His Majesty, and they do so. In the course of time as we have more consulates in the United States, and the British have fewer because of financial difficulties—ten years ago they had more than they have now; it may be that we will have a consulate in an American city where there is no British consulate. I think that this would be a very good opportunity to repay some of the services they have been giving us for years.

Q. So far Canada in no place acts for citizens of the United Kingdom, in other words?—A. There is no place where there is a Canadian consulate without a British consulate except I think in Portland Maine. We have an honorary vice-consul in Portland, Maine, and he does certain shipping services for the British there. They used to have a consul there and now they do not. That is the only place I know of.

Mr. COTE: On a broader view, is it expected we will deal with the question of China and India in this committee?

The CHAIRMAN: I presume in future meetings we may discuss that.

Mr. COTE: As long as we know.

The CHAIRMAN: In previous years, for instance, the committee had under consideration the Zionist question, the Zionists and the Arabs. The same thing also applies to what Mr. Gauthier mentioned with regard to a discussion of the Spanish question, and so on. As the hour is advanced, are there any further questions to ask Mr. Pearson?



*By Mr. Low:*

Q. You may not wish to answer at this time, Mr. Pearson, but I am of the opinion that a number of members might wish to know whether Canada is considering early recognition of the new Jewish state of Israel, following the example of the United States.—A. I think the minister had something to say about that this afternoon.

Q. I was not able to be in the House at the time.

Mr. COLDWELL: There were a number of considerations that would have to be taken into account by the government, and at the moment he was not prepared to make a statement.

Mr. Low: You heard Matthew Halton yesterday from London?

Mr. COLDWELL: Yes.

Mr. Low: When he said Mr. Bevin had made the dry comment that anyhow there was not an election in Great Britain until 1950.

*By Mr. Gauthier:*

Q. I should like to ask Mr. Pearson if women are welcome in External Affairs.—A. Yes, women are very welcome in External Affairs.

Q. Has a woman any chance to become a consul?—A. Yes. We have women in the diplomatic service now. We have women writing every examination. We have certain women foreign service officers in the department. We have women foreign service officers in High Commissioners' offices and Embassies. We are very glad indeed to have them. Of course, one drawback is that occasionally they get married when they are reaching the pinnacle of usefulness.

*By Mr. Jackman:*

Q. I was interested in Mr. Pearson's remark about the top offices in the diplomatic service being reserved for career diplomats. I am wondering what he would say in regard to a change in the top representation in a foreign country being necessary because of a change in the local federal government.

Mr. HARRIS: It is not a matter of immediate urgency at all.

Mr. JACKMAN: I realize that. If I recall correctly when the labour government took over in England they replaced the ambassador to France—I think it was Duff Cooper—with some person else, if not immediately, in fairly short order. Is that not so?

The WITNESS: No. When the labour government took over in England their first appointment was an ambassador to Washington, and they picked a career diplomat in Lord Inverchapel. They left Duff Cooper in Paris for a year and a half, or longer and then they replaced him by a career diplomat who had been private secretary to a previous Conservative Foreign Minister.

*By Mr. Jackman:*

Q. As a general rule do you not think a change in the local government might necessitate a change in the foreign representation inasmuch as we try to keep politics out of foreign affairs?

Mr. MACINNIS: Not unless there was a change in foreign policy.

The WITNESS: I have no views on that.

*By Mr. Jackman:*

Q. Is it true that in the United States, great Britain has usually picked career diplomats?—A. In the last 100 years in the United States I think the British have appointed two ambassadors who were non-career diplomats, if you exclude Lord Halifax who had been foreign secretary previously. They



appointed Lord Bryce at the beginning of the century, and he certainly was a great success and they appointed the gentleman who was president of McGill, Sir Auckland Geddes, for a few months. I think they were the only two cases.

*By Mr. Coldwell:*

And Lothian?—A. And Lord Lothian.

*By Mr. Jackman:*

Q. They are the only ones whom you recall?—A. There may be others; they are the only ones I recall. On the general principle I would express my view that you cannot build up a foreign service unless the men in that foreign service have a right to feel they can get the top positions, just as you would not want to work for a company where you did not have a chance to become president.

*By Mr. Coldwell:*

Q. A good civil servant, even with a change of government, and to some extent a modification of foreign policy by the new government, would usually fall in line with the policy of the government he was supposed to represent?—A. A good civil servant, and that includes diplomatic officers, has nothing to do with government policy. It is his job to carry out the policy of the government of the day, whatever the policy may be, and if he cannot do that he should resign.

The CHAIRMAN: Any further questions? Before we adjourn if you will allow me I will read again parts of a letter sent to Mr. Harris, the parliamentary secretary for External Affairs. This is written on the 6th of May by Mr. L. B. Pearson. It will enlighten us as to the conduct of our future meetings.

3. Since our estimates have been referred to the committee, the committee may feel that its first job should be to examine our estimates. My own feeling, however, is that the committee would be well advised to postpone discussing our estimates until the beginning of June. One thing which the committee will want to do is to compare our estimates for this year with our actual expenditures for last year. We will not, however, be able to give the committee the figures for the last year's expenditures until the beginning of June. Without these figures the committee would have to compare this year's estimates with last year's estimates and that would be far from satisfactory. Last year's estimates do not include the supplementary estimates and they, of course, show merely the money voted and not the money spent.

5. Perhaps at the following meeting it would be appropriate if I were to discuss with the committee the annual report of the department which is written in my name.

6. The committee might then wish to go on to discuss various aspects of the work of the department as set forth in the annual report and which are not directly tied up with the discussions of our estimates. Thus the committee might like to have Mr. Chance appear before them to discuss the work of the consular division, and to have Mr. MacDermot appear before them to discuss the work of the personnel division.

7. The committee will, I imagine, be interested in the work of the information division, but I suggest that perhaps they might discuss this after we have been able to get for them the complete figures for last year's expenditures.

8. This sort of program might be sufficient for the committee until the end of this month when our annual report on the U.N. should be out. They might then wish to take up this report on the U.N. Last year Mr. Coldwell suggested that the best way of treating such a report would be for the committee to go through it chapter by chapter.



9. In examining witnesses from the department, members of the committee may ask questions which cannot appropriately be answered by civil servants. If that happens, perhaps Mr. Bradette could suggest that those questions be held over until a meeting at which you will be present.

So far we have been very fortunate to have Mr. Harris with us, but I believe it was absolutely warranted to have that recorded.

10. We are appointing Mr. Hume Wright, who is in my office, as liaison officer between the department and the committee and I will ask him to keep in close touch with you.

The CHAIRMAN: I believe that the members of the committee will agree with the contents of this letter.

I might say it may be that the officials of the Department of External Affairs find it strange that we meet in the evening on Monday, but it is due to the fact that so many of our members have committed themselves to attend meetings of other committees in the daytime, and so we have set upon Monday night as one of our meeting times. Now, that is all we have to do for the present.

I want to thank you, Mr. Pearson, for coming here and making such a presentation before us.

The WITNESS: Thank you, Mr. Chairman.

Mr. JAQUES: Mr. Chairman, will Mr. Pearson be here at our next meeting?

The WITNESS: I shall be glad to be here.

Mr. COLDWELL: When will our next meeting be held?

The CHAIRMAN: On Wednesday afternoon at 4 o'clock. We will now adjourn.























SESSION 1947-48  
HOUSE OF COMMONS

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STANDING COMMITTEE  
ON

# EXTERNAL AFFAIRS

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

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WEDNESDAY, MAY 19, 1948

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**WITNESSES:**

Mr. Lester B. Pearson, Under Secretary of State for External Affairs;  
Mr. L. G. Chance, Chief of the Consular Division.

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
CONTROLLER OF STATIONERY  
1948





## MINUTES OF PROCEEDINGS

WEDNESDAY, May 19, 1948.

The Standing Committee on External Affairs met at four o'clock. Mr. Bradette, the Chairman, presided.

*Members present:* Messrs. Baker, Beaudoin, Benidickson, Bradette, Breithaupt, Coldwell, Croll, Dickey, Fraser, Gauthier (*Portneuf*), Hackett, Harris (*Grey-Bruce*), Jaenicke, Jaques, Kidd, Lapointe, Leger, MacInnis, Raymond (*Beauharnois-Laprairie*) and Winkler—(20).

*In attendance:* Messrs. Lester B. Pearson, Mr. W. D. Matthews, Mr. Escott Reid, Assistant Under-Secretary of State for External Affairs, Mr. L. G. Chance, Chief of the Consular Division, Mr. Hume Wright.

Before resuming its study of Vote 52, the Committee discussed its procedure. Due to the present Senate adjournment to June 1 and conditional upon the availability of Mr. Pearson, a suggestion of holding a joint meeting of the Senate Foreign Relations and House of Commons External Affairs Committees, was referred to the Steering Committee which will convene at the conclusion of today's meeting.

Mr. Lester B. Pearson was recalled and examined particularly on the German Peace Settlement and Canada's interests in relation thereto.

Mr. L. G. Chance was called. He made a statement on the history of the consular services and was questioned thereon.

The Chairman informed the Committee that he would be absent from May 19 to 27 next.

At 5.15, the committee adjourned until Monday, May 24 at 8.30 in the evening.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*





## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 19, 1948.

The Standing Committee on External Affairs met this day at 4 p.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Gentlemen, will you please come to order. I wish to thank you for being present on time, because I realize how difficult it is for you to be here when there are so many committees sitting.

This afternoon Mr. L. B. Pearson is again with us; I know we can leave to Mr. Pearson whether he wishes to have questions asked of him or whether he would like to make a statement followed by a period of questioning.

**Lester B. Pearson, Under-Secretary of State for External Affairs, recalled:**

The WITNESS: Mr. Chairman and gentlemen, I have not any particular statement to make this afternoon. I understood that questions on departmental policies with respect to certain matters are to be reserved for a joint meeting of the Senate and House committees, so I did not expect to talk on those subjects this afternoon. However, if there are any other questions that members have to ask I shall try to answer them as they arise. I have with me some of my colleagues in the department to assist me, so among us I hope we can adequately deal with any points that may occur to members. If you agree, I would like to leave the matter like that and answer questions which I may be asked.

Mr. JAUQUES: Mr. Chairman, when will the Senate reassemble?

The CHAIRMAN: I understand on the 1st of June.

Mr. JAUQUES: Can we not discuss any matter of policy until they return?

The CHAIRMAN: Oh, yes; this is our committee. After all, we always work as a House of Commons committee. Mr. Pearson was making reference, perhaps, that it might be in order to have a joint meeting of the committees of the Senate and the House of Commons to discuss some matters pertaining to administration.

Mr. HARRIS: Mr. Chairman, it seems that we might save a lot of time if we took ten minutes to decide what we are to do. If the Senate is going to meet with this committee about the 1st of June I suggest we ought to confine our activities in the meantime to any of the other branches of External Affairs which the committee wishes to go into, such as consular services. That is work which we could get down to in the meantime. Then on the question of foreign policy, if you want to debate that, it could be done after a general statement by the Under Secretary before the joint committee, and then we shall have all the rest of the work behind us. I do not know what the custom of the committee was last year as to the items in the estimates, but the reference to this committee is on the estimates and we should pass them formally at one time or another.

Mr. JAUQUES: I asked my question because time is passing and I do not see much point in discussing policies that are already implemented, so I thought it would be more profitable if we discussed policies which are yet to be decided upon.

The CHAIRMAN: Of course, I might state, Mr. Harris, that last year—I am taking the responsibility for that meeting we had in camera last year—there was



a joint meeting of the Senate committee and the House of Commons committee in which Mr. Pearson was the speaker. It was a closed meeting, as you will remember, and I believe those who had the advantage of listening to the statements made by Mr. Pearson have found those statements very beneficial; so much so that after consultation with Senator Lambert, who is the chairman of the Foreign Relations Committee of the Senate, which follows the same lines as this committee, we thought that this year we might again have Mr. Pearson and some other officials if we so wish before us and have one or two meetings again of a joint committee—meetings that will be open to the press and to the public.

Last year we had before our committee, as you will remember, General McNaughton, who spoke on atomic energy, and he had such an outstanding message to deliver that I am sure if we had had a larger meeting it would have proved very instructive and very beneficial to all the listeners and to the country generally.

That is what I had in mind when I mentioned holding a joint meeting. Of course, if the committee does not want such a meeting it is in their hands.

Mr. HACKETT: Mr. Chairman, there is one item I would like to draw to the attention of the committee, and it is a preliminary one; it is the hour of meeting. I am a member of this committee and I am also a member of the Committee on Human Rights and Fundamental Freedoms. I think that both of these committees differ from the ordinary type of committee that we have in the House of Commons. The questions which arise both here and in the other committee to which I have referred will depend largely for solution upon the interchange of views in committee, and it is very unfortunate that there should be a clash, especially in the house of selecting of those two committees, because one cannot be in both places at the same time and one feels that he is losing a great deal and that the time he loses from the other committee is irreparable. I am going to make bold to ask if you, Mr. Chairman, and the Minister of Justice, who is the chairman of the Committee on Human Rights and Fundamental Freedoms, could directly, or through a delegation, endeavour to arrange in the future the hours of meeting so that these two committees do no clash.

Mr. BENEDICKSON: Is the clash on Wednesday afternoon or Monday evening?

Mr. HACKETT: The other committee is sitting now.

Mr. BENEDICKSON: Yes, but this committee selected its time of meeting after practically all the committees had set their time so as not to clash with other committees and we took, as you know, rather odd times of meeting; and I was wondering whether this is the regular meeting time of the Committee on Human Rights and Fundamental Freedoms or whether they selected this hour without knowing that we had also selected this hour so that we would not clash with anybody else. Did they just haphazardly select this time?

Mr. HACKETT: I cannot answer that.

The CHAIRMAN: We chose these two hours of sitting after very serious consideration because we started to meet practically at the tail end of the session; and if we were rather late in starting our activities it was due to the fact that it was understood there was going to be a general discussion going into supply on External Affairs. Perhaps I do not need to say it here, but I believe it was a fruitful discussion; at least it was a lengthy one. It was time well spent. And after that discussion had taken place it might be the sense of the committee that some of the work had been done in the House of Commons, as far as the work of this committee is concerned. However, I will tell Mr. Hackett that we were very careful not to conflict with the other committees; but there is always a possibility of collision when so many committees are sitting.



Mr. HACKETT: I think the clash between these two committees is particularly regrettable—more so between these two committees than with any of the other committees, because one can read up on what takes place in the other committees and so catch up, but in these two committees I feel that presence is almost essential to useful work.

Mr. HARRIS: Perhaps I can solve some of your trouble. We had arranged with the department to discuss during this meeting the consular service, and if you want to talk about human rights perhaps you would not be interested in the matter of the consular service, and there might be another occasion when we could avoid a clash.

Mr. BENEDICKSON: I might point out that there are eight members of the Veterans Affairs Committee on this committee, and we might clash with them. Numbers is a consideration as well as the type of problem.

The CHAIRMAN: Six of our members are also members of the Committee on Human Rights. We have tried to avoid a clash with the meetings of other committees by sitting on Monday night and Wednesday afternoon. Now, if there is any other way of meeting this situation and making it more elastic we will do that.

Mr. JAQUES: Could we not have both our sittings at night?

The CHAIRMAN: Is the committee ready for a discussion on the consular service? I understand there are important matters that might be brought to the attention of Mr. Pearson. There has been a desire on the part of some members for us to conclude our activities at around 5 o'clock, and if that could be done they would be much obliged.

Mr. WINKLER: There is a general question I would like to ask arising out of the statement made by Mr. Pearson at the last meeting. He spoke about the possibility of a peace settlement with Germany with reference to the possibility of dealing with German nationals, and there have been several suggestions in the House of Commons and in other places concerning the immigration of German nationals to this country. It is realized that since we are technically at war with Germany still and there has been no peace settlement that this matter cannot be entertained. I wonder if the Department of External Affairs would regard that as a matter of policy, or is there a formula envisaged in which it would be possible without that settlement with Germany to entertain such matters as immigration?

The WITNESS: Mr. Chairman, that is a matter on which possibly I can say a word, though the policy in regard to it will be determined by the government. It is quite true that as long as there was a possibility of a German peace treaty it was probably impossible to deal with Germany in respect of immigration matters until the peace treaty had been signed. It is also quite true that since the failure of the foreign minister's meeting last December in London the likelihood of an immediate peace settlement covering the whole of Germany has disappeared for the time being. The question therefore of what to do about those parts of Germany which are trying to get together to form a German government in western Germany becomes a matter of immediate importance.

I suppose the government cannot go on indefinitely considering Germans technical enemies, especially as there are so many arrangements which will have to be made with German nationals; commercial arrangements and immigration arrangements, if you like, and other things. So the department has been giving consideration on a technical basis as to what might be done in default of a formal peace treaty.

Of course, the members of the committee will know that the governments mostly concerned, because they are occupying areas in Germany—the United States, the United Kingdom and France—are also aware of this problem. They are now consulting and have had a good many meetings for the purpose of trying to organize a German administration for what is now called Trizonia.



Those consultations have gone pretty far and it may well be that as a result of them before many months there will be a control set up covering all these areas in Germany which are not under Russian occupation. One phase of that control will be the establishment of some kind of German administration—not an administration which will cover the whole of Germany but just part of Germany. That is the intention of three governments and other governments; to give the German increasing administrative control over their own affairs in those areas.

Now it might well be that in a matter of months, six months, there will be some German administration in western Germany recognized as such by the western democratic nations, including Canada.

*By Mr. Hackett:*

Q. What proportion of the population and what proportion of the territory is in Russian control?—A. I think it is roughly about one-third under Russian control and two-thirds under U.S., U.K. and other control; I think as regards the population it is a little less than one-third, leaving out Berlin for the moment.

When that German administration is set up, if it is set up, and I think probably it will be before long, then there will probably have to be some arrangement made with it covering such things as commercial contacts, consular contacts, immigration contacts, and all that sort of thing. I doubt if that will be possible, however, as long as these discussions are proceeding.

*By Mr. Jaenicke:*

Q. Would that western German government be working under the constitution drawn up by powers including ourselves?—A. The three governments mostly concerned plus Benelux have been discussing the type of government for Trizonia—but the actual constitution embodying those principles would probably be worked out by a German constitutional convention that will have to act within the limits of the principles laid down.

I said the other night when I was here that the Canadian government, as such, had not expressed formally any views as to what a constitution of that kind should contain. Mr. Coldwell asked me a question in that regard. I was not entirely accurate in my reply and I would like to correct that unwitting inaccuracy now.

Whereas the Canadian government has not expressed any formal views in regard to economic principles governing any German administration, we have submitted to the governments most concerned certain views as to the political principles of a peace settlement with western Germany—certain views on the future political organization of Germany. They have been formally submitted by the department, with ministerial approval, to the officials of the U.S., U.K. and the French government who are considering this matter in the consultations to which I have referred. Those views that have been submitted were merely for the information of the officials of those governments and they did not go—I think I am safe in saying—beyond the principles that were embodied in the Prime Minister's statement over a year ago on the future German peace settlement; though they did fill in some of the details.

Q. Would it be improper to ask what the suggestions are as to the formation of a western German government?—A. It is certainly not improper so far as we are concerned. It may be, however, that I should consult my minister to find out if it is proper for me to say anything, I think it might be more suitable for him to explain this matter to the committee.

Q. Did it include the re-establishment of the German states? That is, did it include the re-establishment of a federation consisting of the different



German states?—A. Yes. The general principles of our suggestions were that there should be a federal Germany, with the emphasis on the powers of the separate provinces, and also that the federal government of Germany should have enough power to establish itself as a threat to peace. We did make certain suggestions on matters of political economy to the effect that whatever is done in respect of Western Germany, the economy should not be strengthened to the point that it would ever permit then in the foreseeable future to start an aggressive war. On the other hand, it is felt that it should not be so weakened that there would be perpetuated in Germany a feeling of depression, unrest, and dissatisfaction.

Q. Suppose you had just a customs union in Germany among the German states, would not that overcome most of their economic difficulties?—A. I believe that the discussion that is going on favours a much closer union of the German provinces than does a customs union. One of the things they are discussing now is a division of power between the provinces and the central administration in any German government that might be established for Western Germany.

The reason why the government, through the department, made its views known at this time at these discussions which are being conducted on the working level, was to let it be known to the governments concerned that we still have an interest in the German peace settlement. Although we are willing to put views forward by memorandum at this time, nevertheless we feel that would not be sufficient when the time comes for a formal German peace conference. We just want them to know that we are keeping our interest in the matter alive.

*By Mr. Hackett:*

Q. Mr. Pearson, in the departmental report, reference is made to the foreign ministers. I understand that is a distinct body. Then, reference is made to another satellite body called the Special Deputies—

The CHAIRMAN: What page would that be, Mr. Hackett?

Mr. HACKETT: Page 5. The body is called the Special Deputies of the Council of Foreign Ministers. Then there follows a recital of the events with which Canada was not entirely pleased, inasmuch as the Council of Foreign Ministers appeared to have overlooked Canada. I do not wish to dwell on this matter, but is the body to which Canada has directed its views as to a proper way of constituting a new German state, the Council of Foreign Ministers, or some creature of that Council of Foreign Ministers?

The WITNESS: It is neither, Mr. Hackett. The Council of Foreign Ministers includes, of course, the Foreign Minister of Russia. That Council has not met since its meeting in London last December when it was agreed to disagree.

*By Mr. Hackett:*

Q. I know that I am interrupting you, but you used the term "at a working level". When you are giving me your answer will you please include an explanation of what that term means?—A. The Council of Foreign Ministers adjourned last December. The governments of France, the United Kingdom, and the United States, which were three of the four parts of the Council of Foreign Ministers, decided that, as the German peace settlement on a national basis was impossible, they would see what they could work out in their own zones. They therefore began to discuss arrangements for Trizonia—the three zones. They set up certain committees representing those three governments, and on those committees was also represented the group known as Benelux. There are several of these committees dealing with various aspects of this question. These committees are what I mean by the "working level". They are committees of officials and they will report back to their respective govern-



ments, and nothing that they will do will have any binding effect on their governments. It is with these groups that we have been in touch on the official level.

Q. Then, do I understand that Britain, the United States, France and Benelux decided that certain exploratory work would be done on a constitution that might be given to this area in Germany, less that which is occupied by Russia.—A. That is right.

Q. And is the work carried on under a secretariat? For instances, to whom did the Canadian memorandum on the government to be formed, go?—A. It went to one of these working committees which had been set up by the three governments concerned, and which the Benelux group joined later. The presentation of our views at this stage does not mean, of course, that if later on there is a formal governmental conference on the constitution of Western Germany, that we might not participate in it on a higher level. Up to the present, however, we have only participated by sending our views to certain committees of officials. These committees have secretariats and we have been informed of their activities primarily through the United Kingdom government, and through our representatives in London who have been in touch with the United Kingdom officials who are dealing with this matter.

Q. Is our collaboration in this matter of discussing a possible constitution on any different basis than that upon which we participated in a peace negotiation with Germany?—A. It is different in this way, that the arrangements now being discussed are not arrangements to cover the whole of Germany and are not arising out of a peace conference or the preparatory work for a peace conference. They really are emergency measures dealing with the situation in Western Germany that has arisen over the collapse of the efforts to form a government for the whole of Germany.

*By Mr. Croll:*

Q. There would be a basis there for setting up a democratic state would there not?—A. Yes, there would be a basis, but that work would have to be carried on in the future at a formal governmental conference.

Q. Yes, but there would be a basis for what we consider to be a good democratic state.

*By Mr. Hackett:*

Q. At the same time there would have to be a conference of "constituantes".—A. Yes.

*By Mr. Croll:*

Q. That is what I thought you would say. No doubt our government gave them the benefit of our experience and now I am becoming curious, and I should like to know what improvements we found in our system that might be put in their system?—A. We have picked from our experience those parts which are perfect, and we have submitted them to the officials who are working on this problem of Western Germany, in the hope that our views might be of some interest to them. But I should like to emphasize that this is not a substitute for a German peace conference or a peace settlement.

Q. No, I was talking about a constitution, the same as Mr. Hackett.

*By Mr. Hackett:*

Q. I may be allowing my imagination to wander, but it would seem to me our suggestions for a federation would tend to accentuate the autonomy of constituent states is a bar to uniformity and aggressive action, as distinct from a strong central government, which is the age old conflict between the unions in the United States, and possibly, one might say, between the provinces and



the central government in Canada?—A. That is quite correct. Quite apart from our own experience, which may lead to different conclusions, the experience in Germany over the last fifty years has indicated that anything to be done to weaken the central government and strengthen the provinces is good for peace.

Q. And good for Germany?—A. Yes.

*By Mr. Jaques:*

Q. In the event of a clash between East and West, would not the survival of what is called the Benelux, very largely depend on a strong as well as a friendly Germany?—A. Mr. Chairman, this is getting into the realm of high politics where I no doubt should not tread. However, obviously if there should unhappily be a clash between east and west, the position of Germany in that clash would be of vital importance. It is a matter of first interest to all those who believe in the free democracy that there should be a free and democratic Germany associated with the western democratic states.

Q. The reason I asked the question was because, very obviously there are plenty of people on this side of the waters or in the west, if you like, who are working to keep Germany under for that very purpose?—A. On the other hand, it should not be forgotten that the experience of history in the last fifty years shows that the development of a strong Germany has not made for a free or democratic Germany. Some countries, more particularly France and the Benelux countries, while they are quite aware of the importance of filling that vacuum in central Germany, which was previously filled by the German empire, feel it should not be filled with a German that might become something else than a free democratic state. That is the problem.

*By Mr. Croll:*

Q. That was the Czechoslovakian fear too. That was their constant fear as I understand it?—A. That is one of the difficulties in the discussions that are going on now; that is, to reconcile the two points of view. There is the point of view that emphasizes the danger to stability in having no reconstructed German state. There is the danger to prosperity and stability on one hand, and the danger to peace in having a Germany restored to a point where she might, in the future, be in a position to wage war.

*By Mr. Hackett:*

Q. And there is the danger of a weakened Germany which might make her easy for conquest?—A. On these working committees, the United States sets forth its point of view and France and Belgium set forth another point of view, and the United Kingdom is half way between. However, I think it will probably be possible to work out a solution to satisfy all sides.

*By Mr. Croll:*

Q. What about consular service?

*By Mr. Harris:*

Q. Yes, we have twenty minutes and perhaps we could have a statement during that time as to what has been happening during the past twelve months?—A. If the committee desires to hear something more about the consular service, we have Mr. Chance here. He is the head of our consular service and is in a far better position than I am to talk about it. If the committee desires, he could join me and answer questions.

*By Mr. Hackett:*

Q. The consular service is quite distinct from the diplomatic service is it not?—A. Well, there is complete interchangeability between the two. A man



might be a secretary in a consular office one week and be transferred to an embassy the next week. In international law there is a distinction, but we do move people freely from one branch of our foreign service to another; from the diplomatic branch to the consular branch.

**Mr. L. G. Chance called.**

Mr. L. G. CHANCE: Mr. Charman and gentlemen, I think this is the first occasion upon which the consular work in the Department of External Affairs has been discussed in this committee. The reason for that, of course, is that until January 1, 1947, no consular division existed in the Department of External Affairs. If I might be allowed to take the time, I should like to just glance backwards for a minute so that we can get clearly into focus what the consular service really is. There is inclined to be some misunderstanding at times that a consul is merely a person who issues passports and visas; but consuls of course are as old as commerce itself. From the earliest times there were people who served as intermediaries for foreigners and represented individuals, cities and states in their foreign trade and looked after their interests. It goes back to time immemorial, so that as far back as the sixteenth century we find, for example, the Hanseatic League, maintaining one hundred consulates, and representing the interests of cities in northern and western Europe. In the Mediterranean, merchants of the great trading cities such as Genoa, Venice, Marseilles, Barcelona, did the same sort of thing in Egypt, Syria and Palestine. A consul was a person responsible for looking after the affairs of commerce, and the protection, if you will, of individuals abroad. For a great many years our Canadian consular work was done entirely by the British Consular Service. It may be of some interest to glance at what has happened in that connection. Prior to 1825 British Consuls were always drawn from merchants engaged in foreign trade. Their remuneration consisted entirely of their fees, plus, one may suspect, certain prerequisites of office. In 1825, however, the British formed a Career Consular Service, as part of the foreign service, and the Consular Department of the Foreign Office was created to manage it. Over the years they did our work and have done so up to the present. Where we had our own offices developing we took over the work from them, there being generally a person doing Canadian consular work at every diplomatic post that we opened. The world-wide scope of the British Consular Service may be judged from the fact that at last listing there were no less than 514 posts. This service has been and is available to Canadians, and is of course of very great value. They still do our work in places where we are not represented. They still do, throughout the world all our work with merchant seamen, which is a subject the committee might like to discuss at some future time.

The thing about these consuls is that the very *raison d'être* of their existence from the beginning was commerce. We are all familiar with the work of the Canadian Trade commissioners. The Canadian Trade Commissioners came into being because there was no Canadian Consular Service. I am not suggesting that there should be any change back now, but the truth is that the work which is done by our Canadian Trade Commissioners is done for the U.K. and the United States and other countries by their consular services. But as in the very beginning of things consuls were first employed to represent special interests abroad. So the Canadian Government having itself the very particular interest of promoting Canadian commerce decided to send its trade officers out into the world. This was really because we had no consular service. Similarly—to fill a special need the Canadian government found it desirable to send immigration officers to Europe. These people invaded what is thought to be the consular field nowadays to such an extent that they



actually did issue visas, and, so to speak, they captured the very keep of the consular stronghold. As is perhaps characteristic of the rather loose form of British constitutional development, our own foreign service lagged rather behind, and it was, as you know, not until approximately 1925 that we began to have any foreign representation as distinct from the United Kingdom.

In the few places where we opened missions, of course, we took over our work from the British but not much progress had been made by the time that the Germans invaded Poland in September 1939. During and since the war events moved apace and if we take into consideration all our trade posts and immigration posts, and our own external affairs posts, there are some fifty-nine of them throughout the world at which Canadian consular work is being done by Canadians. I am certain to make the point that you cannot really separate trade and commerce from external affairs in this matter. A Canadian consul represents every department of the Canadian government and thus, for example, when we recently opened a consulate general in Chicago, we took over the work that the Department of Trade and Commerce were doing there. In collaboration with the Department of Trade and Commerce we have worked out instructions on trade matters for the use of our officers at U.S. posts where there is no direct representation. By the same token in New York, where the Department of Trade and Commerce has a great deal of work, there are a regularly appointed Consul and Vice-Consul, staff officers of Mr. Hugh Scully, the Consul-General, but nonetheless officers of the Department of Trade and Commerce, and borne on their rolls.

The expansion of our foreign service proper, which took place during and immediately after the war, the introduction of the Canadian Citizenship Act, the revival of immigration and a number of other factors, involved a very large increase in the consular work at head office. In consequence it was decided at the beginning of 1947 to create a separate division entirely responsible for consular matters. The consular division came into being on the 7th of January, 1947. The terms of reference of the division make a little dry reading, but I shall pass them on, if I may, to the chairman and perhaps they can be included in this statement.

The terms of reference are as follows:

The Consular Division is responsible for the proper conduct of all consular matters; for the instruction of Foreign Service and Consular Officers in consular duties when serving at home and their direction in such duties when serving abroad; in concert with the Personnel Division for the recruitment of Consular Officers as necessary; for recommendations concerning the expansion of the Canadian Consular Service and the formulation of policies related thereto. The Division is specifically responsible:

- (a) For the issuance and control of Canadian passports (diplomatic, official and regular) and other travel documents, the granting and rejection of visas for admission to Canada, and, as necessary, the securing of visas for admission to foreign countries for persons travelling on Canadian government business.
- (b) In so far as the Department of External Affairs is concerned, to deal with all questions of citizenship, immigration, deportation, repatriation, relief of distressed Canadians abroad, travel control, Merchant Seamen, war graves, pensions of Canadian ex-servicemen and their dependents, the protection of the interests of Canadians abroad, and all other matters which are normally and by international usage the concern and responsibility of a consular service.
- (c) To draft and, under the authority of the Secretary of State for External Affairs, as may be appropriate, to issue to all concerned regulations and instructions dealing with the matters set out above and to ensure that such regulations and instructions are kept current at all times.



The division at head office is organized into three separate sections. The first of these consists of one officer only at the moment whose full time is spent in matters which relate to the opening of offices in the United States, of which you are aware. The second is what we call the "general and training section" and here we deal with a mass of correspondence on a great number of varying subjects, this correspondence amounting to over one hundred items a day. This section is also responsible for producing regulations, instructions and so on. I may say we should not pass too lightly over this question of regulations. When we began we had no regulations, and we had to create them out of our own heads and from the experience of the British and others who were good enough to guide us. We now have a book of instructions, a guide, if you will, which is in the hands of every consular officer of Canada.

Mr. HACKETT: Is that a departmental publication?

The WITNESS: It is not a publication because we still have not printed it. It is a mimeograph form and is going through its period of trial and error. In due time we hope to have it as a published document. It is not a confidential document.

Mr. HACKETT: Do you think the circulation of that document would be of help to this committee?

The WITNESS: It would be pretty dry reading. If anyone was interested I would be only too happy to bring a copy and discuss items with him.

The CHAIRMAN: Is it voluminous?

The WITNESS: Yes.

Mr. HARRIS: You have, of course, the very highest of talent here in Canada to help you improve it.

The WITNESS: Quite so, and I should, I assure you, sir, be happy to avail myself of it.

Then we have the difficult problem of trying to give our young people some training and instruction before they are sent out to posts abroad.

The third section is the passport and visa section, concerning which evidence was given during the last session of parliament by the then passport officer, Mr. B. G. Sivertz. I should like to give you some idea of the amount of work which is accomplished by that one section of the division. During the last fiscal year there were 57,659 new passports issued, 12,233 passports renewed, 432 visas issued, 45 certificates of identity issued, and 37 certificates of identity renewed. It is a source of satisfaction to me that this is a revenue producing branch of the department, and \$312,598 in fees were collected.

Mr. FRASER: The different post offices have the passport forms, but do they have the application forms for children under the age of sixteen?

The WITNESS: You could use exactly the same form if you wished.

Mr. FRASER: It does not have the parents' or guardians' signature then.

The WITNESS: I could look into that.

Mr. FRASER: Yes, please do, because I know of a case that occurred in the last couple of days.

The WITNESS: Gentlemen, I have here in front of me a rather amusing general picture of the life of a consul-general which was supplied some time ago in lighter vein by the Consul-General in Chicago. If I could take the time to read it, I think you might find it both amusing and informative. It reads as follows:

Following our conversation in Ottawa concerning the duties and occupations of the Head of a Consular Mission, may I communicate the following notes derived from my experience here.

There are, of course, the responsibilities of administrative routine and general supervision thereof. There are the various functions at noon, in the evening and frequently at the week-end that have to be attended as a



matter of near obligation. And then there are the speaking engagements, with the reading and writing which preparation for those engagements involves.

In addition to the above occupations and responsibilities which, taken as a whole, absorb the major part of a Consul General's time, whether in or out of his office, there is a multiplicity of activities which are not easily classified because they all arise singly and do not fall into any pattern. There is hardly ever any repetition and each day brings a new sort of solicitation of the Head of Mission's time. May I illustrate?

A divorcee claims her children are being mistreated by her former husband who has remarried near Montreal, and she seeks advice on how to proceed to have her authority restored over her children.

A kind hearted spinster thinks a Canadian woman, an inmate of Manteno Insane Asylum, is not really insane and is probably a victim of an error or in any case is too roughly treated and she appeals to me.

The General Counsel of a Telephone Company is having difficulties with an American subsidiary of a Canadian corporation about an easement on the latter's property and he calls on me to explain his case, together with an appeal that I intercede.

A Latin-American living in Chicago wishes to send his daughter to a convent in Canada and he asks for directions and advice on the best return for his money.

A life-long Alaskan wishes to take a party of twenty-five Chicago youths along the Alcan route to Alaska and solicits my intercession with the Canadian authorities to secure an R.C.M.P. permit.

A large automobile corporation, launching a new rear engine model, wants to secure Canadian steel and its representatives want guidance on the right channels of approach.

A young Canadian woman, abandoned by her American husband, solicits financial help to move on to California (needless to say she does not get it but she does take up the time of the Consul General).

An elderly woman, once a resident of Manitoba, has an income from a piece of property in Winnipeg and as a result of exchange control difficulties, she thinks all Winnipeg lawyers are crooks and that her Winnipeg bankers are dishonest. (My job has been to send her on her way happy in the thought that her judgment was mistaken in both instances).

A number of Canadian students in Chicago solicit intercession with the United States Immigration authorities so that they (or sometimes their wives) may be allowed to earn money while here to study.

A Chicagocan requested for a friend in Paris a list of French language advertising agencies in Canada.

Some callers want the Consul General to subscribe to some worthy cause. (They do not get his money but they do take his time).

A young American university student wants to devote his GI veteran's allowance to pursue his studies in Canada in a French environment and he solicits information on universities, cost of living in Montreal, Quebec, etc.

Finally, there is the inevitable caller, whether a Canadian traveller, or Canadian or American resident of the United States, who merely wishes to pay his respects to the Canadian Consul General.



I have just attempted to sketch in very lightly the history of consuls, the development of the Canadian consular service and what we are doing. As you know, we are at the present time embarked on the expansion of our service in the United States of America, and since the coming into being of the consular division, we have opened a Consulate-General in Chicago and a Consulate in Detroit. A further Consulate-General will be opened in San Francisco on the 2nd of July, and thereafter two other Consulates will be opened, one each on the east and west coasts respectively. These, it is thought will provide adequate Canadian consular representation in the United States, with the possible exception of the "deep south". It may then be possible to turn to the expansion of the service elsewhere, not in a spirit of expansion for its own sake nor for the aggrandizement of the service, but with a view to supplying real Canadian needs in manner most effective and with due regard to the rights of the taxpayer.

In closing this statement I should like, if I might to just say that while the duties of diplomatic and consular officers naturally differ in some degree, they call forth much the same qualities in the individuals concerned. As Mr. Pearson has told you, it is the aim of the department that there should be no distinction between the services, but that consular and diplomatic officers should be as interchangeable as possible. Naturally, the particular qualities of some fit them better for one side of the work than the other, but we are anxious to avoid any hard and fast bar, such as has prevailed elsewhere but is now being dispensed with by the great foreign services of the world.

Broadly speaking, the consular side of the work, of course, does bring us more into touch with individuals than does the diplomatic side. Hardly anything we touch but in some way or another concerns the personal life of an individual. In that sense we regard ourselves in a rather special sort of way as the shop window of the department, and we take pride in this responsibility. We must give our people service. All the good work of our colleagues on the diplomatic side may be forgotten if we do not give businesslike consular service both here, and abroad. We do not want people to say that they have written to the department but did not get an answer. We try to avoid all that sort of thing. We realize our responsibility is to be a shop window and, as I say, we take pride in that responsibility.

Mr. CROLL: It occurred to me that you said that consular service would be opened in San Francisco. It has always been my impression that the vast number of people interested in the consular service would rather have it in the Los Angeles area. What are the reasons for having it established in San Francisco?

The WITNESS: I made a tour last spring and I examined the situation very closely and got the best advice that I could. On the whole, while what you say is true that probably more Canadians and people of Canadian extraction, shall we say, are in southern California, we had a general job to think about. If we were going to divide up the whole territory of the United States with three consulates-general, and have consulates radiating out from them as the need arises, San Francisco really picked itself as the natural point for the main base on the Pacific coast.

Mr. FRASER: On account of the shipping?

The WITNESS: Yes, to some extent. And, despite the fact of the immense development of the Los Angeles area, San Francisco is still the base of the great insurance companies and houses, the head offices of banks and so on,



on the West coast. I feel quite sure that it is the right place for the Consulate-General. I think we shall, inevitably, sooner rather than later, have to relieve the Trade Commissioner in Los Angeles, and I personally think we shall not be able to go on much longer without having some representation on the north-west coast.

Mr. CROLL: Where would it be?

The WITNESS: Seattle.

Mr. FRASER: Is there any form of revenue in these consulate offices?

The WITNESS: There is a certain amount of revenue from fees but I should like to make it clear that the days are over when consular fees carried the consulate.

Mr. FRASER: I know that, but they do get something from the work they do.

The WITNESS: Yes, from passport and visa fees. One of our little tasks was to draw a fee scale and get it into operation.

The CHAIRMAN: Have you a consular service in New Orleans?

The WITNESS: No. That is what I meant by the deep south.

Mr. WINKLER: I know that some consuls have become ambassadors, but is there any record of an ambassador having become a consul?

The WITNESS: I do not know of any.

Mr. PEARSON: There have been rare occasions where an ambassador or a minister in a small country has been promoted by being made a consul-general in a place like New York city.

The CHAIRMAN: You call that a promotion, do you?

Mr. PEARSON: I would call it a promotion in certain cases.

The WITNESS: There is a situation in the British service in which, for instance, the consul-general in New York, the consul-general in Chicago, and the consul-general in San Francisco are all rated as ministers in the foreign service of the United Kingdom.

Mr. HACKETT: How is control exercised over those consular officers who were known as trade commissioners in the days of Sir George Foster? He started a service of trade commissioners throughout the world and I understand they have been absorbed into the consular service.

The WITNESS: No, sir, they have not been absorbed. The vast majority of their posts are still trade commissioner posts, but they do certain consular work at those places.

Mr. HACKETT: Is it not desirable that there should be some consolidation of that foreign service? I suppose that is a delicate question for you to answer?

The WITNESS: Yes, it is a delicate question for me to answer.

Mr. CROLL: The trade commissioner has his distinct work and it is becoming more and more important.

Mr. HACKETT: It is a consular work too.

Mr. CROLL: No, our trade commissioner is a bit of a drummer these days. My knowledge is that it is his job to get out amongst the trade and try to sell the goods Canada has. The consul has a different task entirely. He is a hand-shaker and a good fellow, and goes out and makes speeches.

The WITNESS: Oh, he is really much more than that, you know, sir.

Mr. CROLL: I put it on a light vein.

Mr. HACKETT: I understand the consular service is primarily a commercial one.



The WITNESS: That is quite true.

Mr. HACKETT: Naturally there are divisions in it, and it is proper these divisions should be maintained where they are justifiable, but I would think it would be in the interest of Canada and of the service to have it under one responsible head.

Mr. COLDWELL: If the trade commissioner is doing the work of a consul, then he should be accorded the privileges of a consul.

Mr. PEARSON: We have tried to make the two services as interchangeable as possible, and we have established a good relationship with the Department of Trade and Commerce, and we have a joint committee with that department and it deals with the two problems.

Mr. FRASER: Would your consuls throughout the United States and in any other place be able to issue passports?

The WITNESS: Oh, yes, indeed.

The CHAIRMAN: From your experience, Mr. Pearson, what you are actually doing between the two departments is the best way to have the most results; otherwise, if you make things too rigid, you may have some friction.

Mr. PEARSON: That is our purpose. In achieving that purpose we get the full co-operation of the Department of Trade and Commerce.

Mr. FRASER: Mr. Pearson, a consul would have more prestige than a trade commissioner in a Central American country, would he not?

Mr. PEARSON: That is quite right. In certain Latin-American countries they do not understand what the title of trade commissioner means. That is one reason why certain trade commissioners are called consuls and consuls-general.

The CHAIRMAN: Are there any more questions? I think I am voicing the sentiments of this committee when I thank both Mr. Pearson and Mr. Chance for their fine contributions to the meeting this afternoon.

The committee adjourned.











SESSION 1947-1948

HOUSE OF COMMONS

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STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

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MONDAY, MAY 24, 1948

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WITNESS:

Mr. Lester B. Pearson, Under Secretary of State for External Affairs.

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
CONTROLLER OF STATIONERY  
1948



EXTERNAL AFFAIRS

MINUTES OF THE COMMITTEE ON THE AFFAIRS OF THE

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## MINUTES OF PROCEEDINGS

MONDAY, May 24, 1948.

The Standing Committee on External Affairs met this evening at 8.30 o'clock. Mr. Gordon Graydon, the Vice-Chairman, presided.

*Members present:* Messrs. Beaudoin, Boucher, Croll, Fleming, Gauthier (*Portneuf*), Graydon, Hackett, Harris (*Grey-Bruce*), Jackman, Jaenicke, Jaques, Knowles, Lapointe, Leger, Low, MacInnis, Marquis, Mayhew, Winkler.

*In attendance:* Messrs. R. G. Riddell and S. D. Hemsley.

Mr. Graydon expressed his appreciation for the privilege of presiding for the first time as Vice-Chairman over the deliberations of this Committee. He deemed it an honour and added that it was a strange feeling to lead the Opposition earlier in the day in the House and then preside at the External Affairs Committee in the evening. He saw in this an indication of the unity of purpose which inevitably exists between members of this Committee on Canada's foreign policy.

Mr. Pearson was called. He proceeded with a general statement on certain aspects of international affairs, and was questioned thereon.

In his statement he surveyed:—

1. Certain recent European developments.
2. Phases of the Empire Recovery Program (E.R.P.) referring particularly to European economy, territorial arrangements and treaties.
3. Trans-Atlantic reactions to above.
4. United States Senate Foreign Relations Committee.
5. United States Senator Vandenberg's recent Resolution, Congressman Judd's and other Resolutions.

Mr. Pearson also commented on the Commissions to Greece, Far East, Korea, Kashmir, and Indonesia.

The witness spoke briefly on the Palestinian question, United States and United Kingdom Resolutions and state recognition in relation thereto. He also commented on the Chinese question.

Mr. Riddell supplied answers with respect to the Palestinian question.

Before adjournment, Mr. Graydon voiced the thanks of the members of the Committee for the able and lucid explanations of Mr. Pearson on world affairs and his generous answers.

The Committee agreed to proceed first with Votes 53 and 54 at the next meeting; Vote 52 being allowed to stand.

At 10.30 o'clock p.m. the Committee adjourned until Wednesday, May 26, at 8.30 o'clock in the evening.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*







## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 24, 1948.

The Standing Committee on External Affairs met this day at 8.30 p.m. The Vice-Chairman, Mr. Gordon Graydon, presided.

The VICE-CHAIRMAN: Gentlemen, will you please come to order. First of all, I should like to open this meeting of the External Affairs Committee by indicating my pleasure and appreciation at presiding over this committee for the first time since I was elected vice-chairman some two or three years ago. It is an honour which I regard very highly and one which I hope I may, in some small measure, merit as time goes on.

Perhaps it may be said the foundation for the multiple party arrangements, in so far as our external affairs work is concerned, was laid down at San Francisco and later at London and successive meetings with respect to our parliamentary delegations. This evidence of further non-partisan multiple party participation, I fancy, is welcomed certainly by parliament and by the country. After all, we, in Canada, I think are all of one mind and that is that, so far as is humanly possible and having regard to all the circumstances, our foreign policy ought to be one which would command unanimous opinion in so far as that is possible in order that we shall be able to speak with a united voice in the councils of the world.

It is a strange experience for me to be leading the opposition this afternoon and tonight be presiding over a standing committee of the House of Commons. It is an honour I appreciate very highly and one which I believe will mark another milestone in what we are trying to do; to have, in Canada, a united consciousness of the important role we must play in world affairs in the days which lie ahead. We must try, so far as we can, to work together towards that end and see to it that Canada speaks with a single voice when she speaks outside our own borders. Therefore, tonight I take this opportunity of thanking you for the honour which has come to me. I fancy it is, perhaps, the first time it has come to any member of the House of Commons. I can say I deeply appreciate it.

Tonight, we are still considering vote No. 52. However, Mr. Pearson, the Under-Secretary of State for External Affairs is with us. I think it is the wish of the steering committee and those who have been responsible for setting up the agenda tonight that, in view of the fact Mr. Pearson will not be available at certain stages in the future—

Mr. HACKETT: What by-election is he fighting?

The VICE-CHAIRMAN: I can say if he were, I fancy he would be very successful. In any event, it has been felt by those in charge we ought to have from Mr. Pearson tonight some general dissertation on certain aspects of international affairs. If you will be good enough now to hear Mr. Pearson, we shall call him as our first witness.



**Lester B. Pearson, Under-Secretary of State for External Affairs, recalled:**

The WITNESS: Mr. Chairman, as you have just stated a suggestion has been made that I might make a general survey of certain aspects of, a factual background if you like, to the international scene. Then, once again, if I can be of any help in answering questions on points which may arise out of that survey I will, of course, be glad to do so.

Naturally, also, I cannot hope to cover the whole of the international picture. I may omit a lot of things which may possibly be more important than some about which I will be talking. There again, if any omissions are called to my attention, I may be able to fill in some of the gaps later.

Last year, when I had the honour of appearing before a joint committee of the House and the Senate and attempted to make a survey of the international scene, if I recall, the picture I tried to present was not a very optimistic one. Since that time, roughly a year ago, the scene has deteriorated and the picture has become somewhat gloomier. Yet, in the midst of the gloom and deterioration, there have been some developments which are hopeful and promise better things for the future. It is of some of those developments that I should like to speak for a few moments. I am thinking more particularly of certain developments in Europe. Those, in their turn, have been a reaction to international developments and international policies in the east of Europe and even farther east than that. In other words, the reaction to what the western democracies may have considered to be threats to the peace has, itself, produced counter-measures which have in them hope and promise.

The particular situation on which I should like to touch, is the progress which has been made in Europe in the last nine or ten months, towards economic recovery and political consolidation. If I may I would like to divide this progress into three phases: first, the European Recovery Program; secondly, and I can deal with it very shortly because we have already touched on it in the committee, Germany and developments in western Germany; and, thirdly, the events leading to what we now call "Western Union." Then, having attempted to deal with these matters under these three headings I would like, if I may, for a few minutes to touch on the Trans-Atlantic reaction to the European developments. Certainly to us in Canada this is almost as important as the developments themselves.

First then, the European Recovery Program. The Paris conferences of sixteen western European countries, as you know, met on July 12, last, to discuss the plans of these European countries to implement the proposals that had been made by Mr. Marshall in his Harvard speech of June 5, 1947. Out of that Paris conference arose the Committee on European Economic Co-operation which assumed the task of assessing the possibilities of European production, and made an estimate of European financial and economic needs for presentation to the United States of America. These estimates were presented to the Secretary of State on September 22, 1947. This Committee on European Economic Co-operation set up certain sub-committees dealing with questions like food and agriculture, iron and steel, transportation, fuel and power, and did a good deal of other investigatory work for the European part of what we usually call E.R.P. But that was not the only development in 1947, toward European recovery. There was also set up by the European States a Study group on a European Customs Union. That you may say was the second child of the Paris conference. That Study Group, (which is a somewhat prosaic name for a very important body), that Study Group has had three meetings at Brussels on November 10, 1947, on February 2, 1948, and on March 18, 1948. Canada has been represented at all these meetings through an observer. The discussions have been important



but they have been, up to the present, on the technical and official level. They have made some progress in the direction of working out plans and projects for a European Customs Union. Also a number of regional customs unions are under various stages of consideration, working through this general working group. For instance, there is a Franco-Italian group working on a scheme for a Franco-Italian customs union. There has also been a group taking in the Scandanavian countries, a Norwegian-Danish-Swedish-Icelandic group.

Then, when the Committee on European Economic Co-operation, which I have just mentioned, ceased its activities, there was set up a permanent continuing organization known as the Organization for European Economic Co-operation. That was established in Paris only a short time ago, on April 16, 1948, I think. The members of that organization are the sixteen western European countries, and the United Kingdom, the United States and French zones of occupation in Germany. This organization has in its turn set up certain agencies. It operates through a council, an executive committee and a secretariat. The duties of the Organization, which are important, are to screen requirements, integrate production and investment programs, and make positive proposals to member governments for raising the production efficiency of western Europe; to enable western Europe to get back on its feet as soon as possible with help from overseas. In the meantime, as you know, the United States congress has passed the Economic Co-operation Act; has named an administrator to supervise the execution of the United States part of this recovery program; and has appointed an ambassador at large to provide liaison to the sixteen countries that are members of the organization set up for European economic co-operation.

The Canadian government has kept in close touch with this organization through representatives in Paris and will probably soon be able to keep in closer touch through an official appointed for that purpose. In that connection, our ambassador in Mexico, Mr. Pierce, is now on leave from his post in Mexico and is being sent by the government to Paris to report on the work of this organization, on Canadian aspects of that work, and the kind of liaison organization we should set up in Paris. So much then for the machinery for European recovery program.

The second phase of this subject is the re-organization of western Germany consequent upon the failure of the council of foreign ministers. As I think I said the other night when we were discussing this, there has been some progress made here both on the economic and political side. There have been the London talks on the future of western Germany. These talks began on February 23, last, and they continued through March and April, and were supplemented by a conference in Berlin of the western military governors. The talks lapsed for a while, were resumed in London lately and should be concluded, I gather, shortly. As a result of these talks it is hoped that agreement will be reached on the restoration of the German economy, and of activities in the Saar and Ruhr; on the evolution of a political and economic organization for western Germany; and on provisional territorial arrangements. It is anticipated that the German authorities will be asked by the three governments, the United States, the United Kingdom and France, to take part shortly in the preparation for a constituent assembly which will have the task of drafting a constitution for the government of the three western zones. The recommendations of these talks, of course, are for submission to the governments, and until they are approved by the governments they naturally are not binding.

Now, the third phase of this subject is in some respects the most important. I refer to the developments leading up to what we call Western Union. That began with Mr. Bevin's speech on January 22, 1948, when he proposed that the free nations of western Europe work towards what he called a western union. He indicated at the same time that it was unfortunate that a division of Europe



into east and west had taken place, but that he felt that the policy of the Soviet Union had left no alternative but to work for some kind of Western European political organization as a defence against aggressive policies from the east. The nucleus of western union as agreed upon at the time was to be the United Kingdom, France and the Benelux countries. Later he hoped that "other historic members of European civilization," as he put it, "including the new Italy", would be associated. Talks on western union have been going on almost without interruption through one channel or another since the day of Mr. Bevin's speech. Shortly after that speech the United Kingdom and France offered each of the Benelux powers a mutual assistance treaty on the lines of the Dunkirk treaty of 1947 between themselves. Mr. Spaak, who was then as he is now, Prime Minister of Belgium, said that was not good enough for the circumstances of the time, and as a result of certain discussions held between the Benelux powers and the other two, the Brussels agreement was signed. That was facilitated and expedited, and discussions concerning its form were brought to an early conclusion by events which took place in Czechoslovakia the last week of February.

A meeting was called on March 4 in Brussels, and a draft treaty was concluded on March 12 and signed on March 17. That Brussels treaty, I suppose, is the cornerstone of the western European system at the moment, and it is very important, I think, that we should have a clear idea of its terms and its implications. It is far more than a military alliance of the old Dunkirk model or of the pre-war models. Its preamble emphasizes the ideological aspect of the treaty by referring first to the principles of democracy, personal freedom and political liberty, constitutional traditions and the rule of law. Then it mentions economic, social and cultural ties and co-operation for European economic recovery. Only after all those things does the preamble of the treaty which declares its purpose, speak of mutual assistance under the United Nations charter to resist any policy of aggression, not merely aggression from Germany, but any policy of aggression.

Article 1 of the Brussels treaty provides for the co-ordination of economic activities through a consultative council. Articles 2 and 3 have certain social and economic provisions, but article 4 is the provision which provides for collective self-defence. That article, which may possibly be a model for collective self-defence provisions in other treaties of this kind, states that if any party is the object of armed attack in Europe (not outside Europe), if any party is the object of armed attack in Europe the others will afford all military and other aid in their power under article 51 of the charter of the United Nations. Then article 5 ensures that action taken under the previous articles should be in conformity with the charter. Article 7 provides for a consultative council, which is to deal with questions which, while not constituting direct aggression or attack, do constitute a threat to the peace. I suppose it is accurate to say that in the conditions of the present indirect aggression is just as important as direct aggression, and whereas direct aggression is sometimes not too difficult to determine, what constitutes indirect aggression is a new and rather baffling problem. They attempt to deal with it in this Brussels treaty through the consultative council to which any member can bring any question which is considered by that member to be a threat to the peace in whatever area of the world that threat should arise, or any danger to economic stability.

Then there are certain formal clauses in the treaty, including one which provides for the accession of other states. That is the Brussels treaty signed on April 17.

Since that time the signatories have worked pretty swiftly to set up the organization provided for in it. A permanent consultative council has been established. A permanent commission has been established in London. A permanent military committee has also been established in London under the



authority of the consultative council to study security problems envisaged in the treaty. The permanent commission has already met, on April 24, and set up a permanent secretariat, while the five defence ministers of the Brussels powers have also met; as indeed have the five finance ministers. So there has been considerable progress made in that direction in the establishment of western union.

It had been thought when the Brussels pact was signed it would not be long before other European states might be invited to join. Italy, of course, comes to mind in that connection. There have been no developments yet on that front. The Italian government has shown itself not unfriendly but a little hesitant about aligning itself with the Brussels powers at this time. That was quite understandable in view of the Italian election. The Italian premier thought it probably would be unwise to introduce that somewhat controversial note into the Italian election campaign. Since the Italian election he has indicated they had probably better take some time to think over this matter. After all Italy is still under a peace treaty regime. She is a defeated power. She is not allowed to build up an army and navy. She does not have control over all aspects of her defence policy. She has lost her colonies, and wants to get some of them back. Both right wing nationalist opinion and left wing communist opinion in Italy might seize on adhesion to the Brussels pact at this time to embarrass the government. Therefore nothing has been done yet in that direction.

Similarly the reactions of Norway, Denmark and especially Sweden to western union have been, while friendly, pretty cautious, for obvious reasons.

If I may leave Europe and deal with the trans-Atlantic parallel developments in this field, the trans-Atlantic reaction to these political developments towards western union, I might mention—

*By Mr. Hackett:*

Q. Before you leave Europe does the Brussels treaty differ from the suggestions made by General De Gaulle in his Bar-le-Duc speech of two years ago?—  
A. I wish I could answer that question but I am afraid I cannot because I have not in my mind at the moment what those suggestions were at Bar-le-Duc.

Q. It is quite by accident I happen to have it here. It was a union of the western European countries for the purpose of forming a balance of power.

Mr. GAUTHIER: All of them?

Mr. HACKETT: All of those mentioned here.

The WITNESS: I would think this kind of proposal would commend itself to General De Gaulle from what I know of his political views, but I am not able to state whether it was the kind of collective security system he had in mind when he made that speech. The first United States reaction to the European development is found in President Truman's speech on St. Patrick's day, March 17, his address to Congress. Actually in that speech Mr. Truman did not commit the United States to any policy or did not advocate any policy of direct association with the Brussels pact or any other political pact. You remember at that time he asked Congress specifically for immediate approval of the E.R.P. bill which he got shortly afterwards, the adoption of universal military training, and the temporary revival of conscription. But in the opening passage of his speech the President referred to the Brussels treaty. He mentioned it had been signed and added:

This development deserves our full support. I am confident that the United States will by appropriate means extend to the free nations the support which the situation requires. I am sure the determination of the free countries of Europe to protect themselves will be matched by an equal determination on our part to do so.



I think that this was interpreted in most European countries as an indication of United States support for these western union developments, and as a suggestion that if this development was carried to a successful conclusion they could count on United States approval and United States assistance in some undefined manner.

From a European point of view of course it was important to find out how that assistance was to be given, in what form it was to be given, and through what agency. There have been some clarifying statements in that connection in the last few weeks in Washington. In the past two weeks, for instance, the Senate Foreign Relations Committee and the House Foreign Affairs Committee of the United States Congress have heard testimony from a number of individuals on the subject of making the United Nations more effective and have considered what reports they should make to the Senate and to the House respectively. On Thursday last, May 20, the Senate committee adopted by thirteen votes to nil a resolution originally put forward by Senator Vandenberg, the resolution not being substantially amended by the committee. That resolution is an extremely important document and may signify a very important move in United States' foreign policy. It has, however, been more or less overlooked in the press and in public comment because of the rather dramatic incidents which occurred at the very time when Senator Vandenberg's resolution was brought forward, when Mr. Molotov and General Bedell Smith had their discussions together in Moscow. In the flurry of comment, criticism, and controversy that followed this move Senator Vandenberg's resolution did not get very much attention, but I venture to suggest it deserves a good deal of attention. The present intention is to have this resolution approved by the Senate as a statement on foreign policy which would not of course commit the administration in any way but which would advise the president and the secretary of state. It would not necessarily, of course, force them into any action at this time. The House committee on the other hand is considering measures which call for immediate action to revise the United Nations Charter or to form a new international organization if the Soviet government should veto the proposed revision. So you have in the United States Congress two developments occurring both of which are related to this European move which I have mentioned. You have Senator Vandenberg's resolution to which I will return later, and which does not necessarily mean any immediate action to interfere with the United Nations as we know it now. Also you have the House resolution—several House resolutions—some of which, if they became law, would probably break up the United Nations as we know it now. Of course the House ideas of revision come from groups with quite different basic attitudes toward current international problems than the ideas of those who are supporting the Vandenberg resolution. The picture presented by these various resolutions, is, in a sense, one of conflict between conservative policy on the one hand—no one would have dreamed of calling Senator Vandenberg's resolution a conservative one a year ago—and on the other hand a policy of immediate challenge to the Soviet in the United Nations, to be followed, if necessary, by a United Nations without the Soviet. Public opinion has now been focussed on this matter through the hearings before the Senate and House committees. It seems to me that this conflict of opinion is something which has been developing in United States public opinion for some time. The decision made by the American nation to participate in the United Nations was a whole-hearted one. Most of the people expected, when they made that decision, that the adherence to the United Nations Charter by the majority of states of the world, including the big powers, would, after an adjustment period, result in an increasing sense of security, in great progress towards economic rehabilitation, control of atomic energy, and reduction of armaments. In spite of progress in the economic and social fields and in spite of the settlement of some political disputes, these



expectations have not been fulfilled. One can only consider the succession of events in the first five months of 1948 to realize how this failure has been forcibly thrust upon a nation which has more newsprint to carry such news, sometimes in sensational form, than any other nation on earth. Although these failures of the United Nations have been publicized and indeed sensationalized, the more encouraging developments, some of which I have already mentioned, the European recovery plan, the victory of the democratic parties in the Italian election, the pact of western union in Brussels, were not in any direct sense "accomplishments" of the United Nations. In this situation the American people, excited by the propaganda barrages of the "cold war", alarmed by Communism in the United States, confused by an almost inexhaustible variety of ready-made "solutions" propounded in books and magazines, feel that they are normally bound to do something about achieving peace. I do not consider it to be any criticism or reflection on them to say that they are liable to follow almost any crusader who seems to have a definite answer to this problem of peace. This temper on the part of the American public which may result in some action in respect of international co-operation has been revealed recently in public polls, newspaper comments, by the steady flow of correspondence received by Congressmen, by the passing of resolutions by fifteen state legislatures; by the introduction at the present session of Congress of twenty-one separate resolutions which bear on the reform or the revision of the United Nations. The Roper survey shows 43 per cent of Americans support the idea of a "United States of the World". A Gallup poll last October revealed 56 per cent desire the United Nations to develop into a world government. A number of organizations have made declarations of policy concerning United States support of these plans. Among them one of the most influential is the United World Federalists, whose president, Mr. Cord Meyer, Jr., appeared before the House Foreign Affairs Committee and advocated a determined effort on the part of the United States government to bring world government into operation. Other organizations are National Security Committee, Post-War World Council, Woodrow Wilson Foundation, The Citizens Committee for United Nations reform headed by Mr. Ely Culbertson. It is Mr. Culbertson's plan which seems to have commanded most support and most attention in the House of Representatives. It has also gained the support of sixteen senators in the Senate and it is a very far-reaching scheme indeed for a new international set-up. Two other organizations, The American Association for the United Nations, and the Committee to Frame a World Constitution, have put forward ideas. One of the resolutions put forward in the House by Representative Judd seems to sum up the desire common to most to widen and change the United Nations Charter. Congressman Judd's resolution calls for such things as the elimination of the veto right by a permanent member of the Security Council and for limiting armaments. It is based on suggestions made by Mr. Culbertson. If the U.S.S.R. should veto such changes Mr. Judd says that the United States should take the lead in establishing "on the basis of a revised United Nations Charter" a more effective international organization.

I mention all this because if these resolutions were carried into effect the United Nations, as we have it now, would pass out of existence and we would have, presumably some international organization based on a new charter without the Soviet Union. That would be recognition, certainly a rather dramatic recognition, of the division of the world into two camps—the Soviet and the American.

Now, that is not the policy of the United States government, and an effective answer has recently been given to these revisionists by Secretary of State Marshall who spoke to the House Foreign Affairs Committee a short time ago, challenging the desirability and the necessity of such far reaching action as that



of the resolution of Congressman Judd, Mr. Marshall then pointed out that "the United Nations was specifically designed to preserve peace and not to make the peace." The expectation of harmony among the great powers, on which the success of the United Nations in its early years was obviously dependent had not been fulfilled, but in spite of this the United Nations had accomplished a number of things and as a "forum of negotiation" it could still deal with some political controversies, although not all. Mr. Marshall went on to emphasize how important it was to keep it in being and keep it universal. He said any attempt to revise the charter or achieve immediately some kind of world government would destroy the United Nations and result in the "dispersal of the community of nations followed by the formation of rival military alliances and isolated groups of state." And then he went on to say it was their intention not to break up the United Nations but to afford encouragement and support to all arrangements made by free nations for the preservation of their independence and liberty through such pacts as the Brussels pact inside the United Nations.

If you relate that statement to the Vandenberg resolution, you get the official policy of the United States government in this matter. Furthermore this statement of Secretary Marshall before Congress has been supported and backed up by President Truman on two different occasions by general expressions for the support of the United Nations; also by Mr. Dulles who is a very important figure in the Republican party. Mr. Dulles restated in very precise fashion the point made by Mr. Marshall when he said that it was not necessary to do away with a universal association that is loose in order to have a partial association that is highly organized; efforts at the universal level should not preclude more rapid progress at a less than universal level.

And that brings me again to the resolution of a fortnight ago of Senator Vandenberg which really embodies these ideas, and which if it is carried into effect will presumably take the place of more radical revisionists' ideas which have been enunciated in other quarters; in Congress and elsewhere.

*By Mr. Hackett:*

Q. Would Mr. Pearson pardon an interruption? May I ask him for any comment on the clash between the groups represented by the United States and those by the Soviet Union as set forth in the controversy between Mr. Molotov and Mr. Smith?—A. Possibly we could come back to that, Mr. Hackett; I am about to finish this particular survey, and I thought I might end on what the Vandenberg resolution means, and then throw myself open for questions.

Mr. MACINNIS: Mr. Chairman, has Mr. Pearson got the text of the Vandenberg resolution?

The WITNESS: I have, Mr. Chairman; I have it here. I thought I would give you a short analysis.

Mr. MACINNIS: Have you any objection to putting it on the record?

The WITNESS: Not at all. Senator Vandenberg's resolution follows logically then on Secretary Marshall's statement of policy. It re-affirms United States support of the United Nations, asks for voluntary agreement to remove the veto from the pacific settlement of disputes, along with renewed efforts to achieve regulation and reduction of armaments and suggests that a review of the Charter with a view to its formal amendment might take place at a later time. Most significantly, the resolution would make it clear that the United States would, in the event of armed attack affecting its national security, exercise its rights of individual or collective self-defence under article 51 and that the United States seeks association—and I quote from the resolution: "by



constitutional process with such regional and other collective arrangements as are based on continuous and effective self-help and mutual aid, and as affect its national security."

It is not too much to say that if this resolution is adopted by Congress it may constitute on a political level almost as important an offer as that made by Mr. Marshall a year ago on the economic level. I am not suggesting that developments will follow in this same way; they may not. This may never become a matter of United States policy. But if you read what Mr. Vandenberg has said and what the administration has said previously on this matter, it might become a matter of public policy and be implemented. In that case I think it will be considered a very important declaration indeed.

Now, I think that is about all I need to say on that matter. I have dealt with this particular aspect of the international scene at such great length that possibly I ought to stop and see if there are any questions.

The VICE-CHAIRMAN: Thank you, Mr. Pearson, perhaps some of the members would like to ask some questions.

*By Mr. Hackett:*

Q. I would like to ask Mr. Pearson if the criticism levelled at the United States and the United Nations, by Soviet Russia and its satellites, seems to be that the United States and Britain are forming an association against Soviet Russia? I think that is one of the reasons that Mr. Molotov set forth in his communication, and that being so, how can Russia be expected to accept the policy advanced by Senator Vandenberg?—A. Well, Mr. Chairman, I can understand that the Russian government must look with a certain amount of distaste and suspicion on this development; but I should think that even from the Russian point of view developments of this kind which are brought within article 51 of the United Nations Charter and the purposes and principles of which are sanctioned by the United Nations Charter—I think that developments of that kind would be preferable to the revisionists' ideas which if they were carried into effect would have driven the USSR right out of the United Nations. This is merely one method of developing regional security pacts under the Charter. I suppose, however, there is no use deceiving ourselves, if relations between the USSR and the democracies were not bad this might not be tried. Nevertheless, I think even from the Russian point of view, distasteful though it may be, it is an improvement on being driven out of the United Nations by an attempt to amend the Charter of the United Nations against a Russian veto. I am not suggesting they will welcome this development; they will not; but we would have no cause to complain if they worked out their own relationships with the Eastern European states by a regional pact under Article 51 and had it registered in the United Nations—we could not take any formal exception to that. But they are not likely to do it.

Q. And they have achieved that purpose in a way that we feel is reprehensible, have they not?—A. Well, they have very close relationships with their friends in eastern Europe, but they are not embodied in this kind of security pact under article 51. They have their military agreements with all their eastern states now. These military agreements are pretty much of a pattern.

Q. I was thinking of the states which have succumbed to their pressure, as we think of it, and have fallen into their way of imposing their will under the guise of democratic institutions?—A. I think there is a great distinction between that kind of alliance both in method and possibly in purpose, than in a system such as the Brussels pact or some democratic security pact under article 51 of the United Nations Charter.



*By Mr. Harris:*

Q. Are there, in eastern Europe, regional pacts in the sense of their being agreements between more than one nation at a time with Russia? Have they all Russia in common and one other nation?—A. I speak subject to correction, but I think all the Russian agreements with eastern European countries take the form of bi-lateral agreements. There is a sort of interlocking series of bi-lateral agreements but their terms are pretty similar. It is quite clear that they do, in effect though not in form, constitute a sort of group system.

*By Mr. Jaques:*

Q. Is there any relationship between the Brussels pact and the recent conference at The Hague?—A. No, there is no official connection between those two things at all because the recent European union conference at The Hague was a non-official conference.

Q. Would they be in conflict?—A. No; from what I know of the objectives of the meeting at The Hague, they would not be in conflict with the objectives of the Brussels pact.

Q. They would be complementary, would they?—A. I would think they would be more or less complementary, though I am not quite sure exactly what did happen at that Hague meeting. All I know is they talked of European union. I think it consisted mostly of orations by the distinguished statesmen who attended. I do not think there was any draft agreement or anything of that nature drawn up.

Q. Would you say that they would be rivals?—A. I would not think they need be rivals. One was an unofficial conference and the Brussels pact was an arrangement between governments. I would have thought that the ideas of the two were, generally, along the same lines.

Q. Rivals in the political sense, probably?—A. Well, possibly rivals in the sense that most of the people who went to The Hague were out of office.

*By the Vice-Chairman:*

Q. May I ask one question with respect to article 51 which has given me some thought during the time the Benelux and then western union agreements were made? Is article 51 sufficiently wide to accept that kind of agreement among nations, in your opinion?—A. I would have thought so, Mr. Chairman, although there have been some opinions expressed that article 51 was not wide enough for this purpose.

*By Mr. Knowles:*

Q. What about the phrase "armed attack"?—A. Article 51—May I read it, Mr. Chairman?

The VICE-CHAIRMAN: Yes.

The WITNESS:

Nothing in the present Charter shall impair the inherent right of individual or collective self-defence—

I emphasize the words, "collective self-defence".

—if an armed attack occurs against a Member of the United Nations, until the Security Council has taken the measures necessary to maintain international peace and security. Measures taken by Members in the exercise of this right of self-defence shall be immediately reported to the Security Council and shall not in any way affect the authority and responsibility of the Security Council under the present Charter to take at any time such action as it deems necessary in order to maintain or restore international peace and security.



It is true that that article deals only with armed attack and, as such, does not cover what I have referred to as indirect aggression.

It may well be that we may not, in the future, ever see an armed attack in the old sense. Wars may start in a different way. The signatories to a pact, however, can decide what constitutes armed attack under article 51. They may consider that subversive action within their own boundaries subsidized and fomented by a government outside the country would constitute armed attack.

*By Mr. Knowles:*

Q. Is there any significance in the fact the Brussels pact, as you describe it, puts military matters so far down the list, especially when one considers either article 52 or 53 of the Charter, I forget which one it is, which provides for the getting-together of the various member states for the purpose of broader advantage in military matters?—A. The reason why the Brussels signatories used article 51 rather than article 52 as the basis of their pact, does not have anything to do with the breadth of the pact but has a good deal to do with the position of the Security Council.

Under article 52, the Security Council could veto any action taken by the signatories to the pact. It cannot do so under article 51. I have a short note here on that. The two great powers, that is the United Kingdom and France, offered each of the Benelux powers—this is last spring—a mutual assistance treaty on the lines of the Dunkirk treaty. I mentioned that. Mr. Spaak, speaking for Benelux, urged that treaties on that model were no longer sufficient. Concentration on a possible danger from Germany was inappropriate, particularly if as Benelux suggested, western Germany were eventually included in the western European system. Mr. Spaak called for a pact under article 52 of the Charter. To this, it was objected that enforcement of a pact under article 52 was governed by article 53, meaning that enforcement action could only be taken by the Security Council where it would be subject to the veto. Therefore, article 52 is not a very useful article as a basis for a sort of regional collective system.

The reason why the Brussels signatories emphasized the other than military aspects of their association was to distinguish, so far as possible, their association from the old-fashioned military alliance. They wanted to establish a democratic association which would provide not only for defence but which would promote their prosperity, develop social and cultural relations between them, and do other things that would not be covered by a purely military alliance. Special emphasis was placed on the moral and cultural and economic bases of their association.

The VICE-CHAIRMAN: Gentlemen, would you care to have section 52 read? There have been frequent allusions made to it and perhaps all members are not familiar with it.

Mr. HACKETT: Would you read 51 and 52?

The VICE-CHAIRMAN: We have already read 51, Mr. Hackett. Would you like Mr. Harris to read section 52? It is not very long. Perhaps I should read it. It reads as follows:

1. Nothing in the present charter precludes the existence of regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action, provided that such arrangements or agencies and their activities are consistent with the purposes and principles of the United Nations.

2. The members of the United Nations entering into such arrangements or constituting such agencies shall make every effort to achieve pacific settlement of local disputes through such regional arrangements or by such regional agencies before referring them to the Security Council.



3. The Security Council shall encourage the development of pacific settlement of local disputes through such regional arrangements or by such regional agencies either on the initiative of the states concerned or by reference from the Security Council.

4. This article in no way impairs the application of articles 34 and 35.

Mr. KNOWLES: You think then that the Brussels agreement is not expressly provided for in all its details in the charter; but it might also be argued that nothing in the charter stands in its way; would that be a fair comment?

The WITNESS: I think that would be a fair comment, Mr. Chairman.

Mr. JAUQUES: The veto, wasn't that a part of the San Francisco agreement?

The WITNESS: Yes, the veto was a part of the charter and it was agreed to by the five permanent members of the council at San Francisco. They agreed that the veto must go into the charter. It was not only the U.S.S.R. who insisted on the veto going in. Senator Vandenberg himself, I believe, in the committee which was considering this matter, insisted that the veto must go in or it would never get through the Senate. However, as a result to a very large extent of the opposition of certain of the smaller countries to this right of veto being given to the five permanent members of the council, the nations which had this privilege did accept a limitation on its use. By means of a self-denying ordinance they undertook to use the veto power with discretion, and indicated that they would resort to it only in respect of very important matters and not to prevent conciliation procedures. This was a kind of sop to the countries which especially disliked the veto; and it was on that understanding that the veto was accepted by those countries.

Mr. FLEMING: They said they would veto if necessary but not necessarily veto?

The WITNESS: That is a good way of putting it, Mr. Fleming. However, that particular self-denying ordinance does not seem to have been very well observed in the last two or three years.

*By Mr. Jaques:*

Q. Would you say that the organization of the United Nations could continue without the veto?—A. The organization of the United Nations as it is at present constituted could not continue without the veto because the U.S.S.R. has made it quite clear that if the veto goes they go, and they have the veto over the abolition of the veto, so the veto can't go.

Q. The point I meant was, when any one of the great powers finds itself up against a proposition which it feels is vital to its national interest, do you think it would submit to it?—A. I do not think any great power in the present state of civilization would submit to a decision of any international organization affecting its vital interests by a vote of 50 per cent plus one; especially when you have such a great disparity between the size, the importance and the responsibility of states such as you have in the international field today. You could have in the United Nations a situation where a majority of the members might vote in favour of a recommendation when that majority could not contribute anything at all to the enforcement of that recommendation. Yet under the good old 18th century doctrine of the equality of states each would have equal voting power. You may remember the story called *Animal Farm* by George Noell, where the animals threw all the humans out, and then formed their own society. The first article of their new constitution was, "all animals are equal". Later they got quarrelling with each other and one finally became a dictator. His first act was to amend article 1, of the constitution, to read: "all animals are equal, but some are more equal than others".



*By Mr. Low:*

Q. Has the little assembly made any progress at all toward the solution of this disability of the veto?—A. The little assembly has been studying that matter now through a committee and that committee will be reporting I suppose to the general assembly in September. It has attempted I believe, although the report has not yet been made, to lay down certain rules for the observance of this privilege of the veto. In other words, not to abolish the veto but to surround its use with certain conventional limitations.

Q. I was thinking more particularly along the lines of action in the general assembly itself— —A. That was one of the reasons why the little assembly, I think, got so much support. The futility of the Security Council, in certain respects, made it seem desirable to some members of the United Nations to have a non-veto agency to which matters could be referred in between meetings of the general assembly.

The VICE-CHAIRMAN: Mr. Pearson, may I ask you one question with respect to the western union. Is there anything in the charter to prevent the North American nations from guaranteeing the integrity of the territory of nations connected with the western European union?

The WITNESS: I do not know if there is anything in the charter which would prevent that, but a unilateral guarantee of territorial integrity might be a guarantee to an aggressor in certain circumstances, because a state—this is a purely hypothetical situation—a state might attack another state and then find it had taken on rather more than it had expected and the attacker in turn might have his territorial integrity violated; then, under that kind of a unilateral guarantee, the guarantor power might become involved, in a way that would not be within the terms of the charter.

Mr. FLEMING: I wonder if Mr. Pearson could tell us how many times the veto has been exercised?

The WITNESS: I think twenty-two times by the U.S.S.R.; and by France, once.

Mr. HARRIS: I wonder if I might interrupt to suggest that we are going to have a field day on the United Nations later, and any questions directed to that particularly might be left over. We are trying to cover other fields tonight.

*By Mr. Low:*

Q. Is the impression growing—it seems to me that it is—that the Brussels treaty is perhaps the first stage in the formation of another kind of organization that intends to do what the United Nations cannot do; is that correct?—A. Well, there is undoubtedly a growing impression that some kind of regional collective system for the North Atlantic area should be formed because in an emergency you could not get any security from the security council. States cannot give themselves security these days, even the largest states. They naturally look around for other states which have similar policies, are of similar views, and try to form an association with those states. The ideal way to have it done would be on a universal basis; if anybody attacks one they attack all. That is obviously impossible in the United Nations as we have it today. I should not say that under the United Nations charter it is impossible, but it is in the world situation that we have today. That itself is probably enough to account for the trend toward these security groupings inside the United Nations.

*By Mr. Croll:*

Q. Why do you keep using the term “groupings inside the United Nations”? I cannot see the difference between the groupings they have now and the groupings they had before the war started. Forgetting the United Nations entirely for the moment I cannot see the difference. Where is the difference?



Mr. Low: That is just exactly what I had in mind.

The WITNESS: Well, we are back on the United Nations again, Mr. Chairman—

*By Mr. Croll:*

Q. It arose out of it. I will drop it.—A. I think there is a difference probably in at least two respects. In the pre-war days—and I am thinking of pre-1914 days—there was no international agency to which countries or groups of countries could be called to account, hailed before the bar of public opinion, if you like; now, if a North Atlantic pact or the Brussels pact or a Rio pact is aggressive in tendency the United Nations assembly can meet and the people who feel it is aggressive can charge it with aggression or aggressive tendencies before that Assembly.

Q. The United Nations could not do that or the old League of Nations.—A. I am thinking of before 1914. The other difference is that these pacts within the charter have to be registered with the United Nations and be made public.

Q. This is what has been running through my mind, that the difference is that the Russian pacts are not registered and ours have to be registered and they are not yet registered. That strikes me as being about the only difference.

*By Mr. MacInnis:*

Q. Is it not a fact that the United Nations now recognize, if not formally, informally, natural groupings of nations and the right of those groupings to do certain things to help themselves?—A. Yes, the United Nations, if it does not recognize those rights, at least cannot do anything about it.

Mr. Low: Such as the Pan-American union.

Mr. MACINNIS: I was not thinking so much of that.

The WITNESS: I think it is probably true to say in respect of the matter which has just been mentioned that the United Nations is not at the moment much more effective than the old League of Nations, but then on the other hand the League of Nations was quite effective enough for the purpose for which it was set up if the nations had desired to use it. After all that is all you can expect of this United Nations. You have to interpret almost every subject that comes before the United Nations in terms of the political conflict between the two great super powers that are now dominating the world. Until the sources of that conflict are discovered and corrected there is not much hope for United Nations action in the solution of the big political problems.

The VICE-CHAIRMAN: Gentlemen, are there any more questions before Mr. Pearson proceeds to some other aspects of the international problems?

*By Mr. Low:*

Q. You mentioned Norway, Sweden and Denmark as having a cautious attitude towards the Brussels arrangement. What is their particular caution?—A. Well, there is the tradition of Scandinavian neutrality in disputes between great powers. That is a tradition they are loath to abandon, I suppose, even in 1948. There is also the geographical position of the Scandinavian powers. They are pretty close to the U.S.S.R., and if the U.S.S.R. should have aggressive intentions they would be the people who would feel the force of those intentions first.

*By Mr. Croll:*

Q. Then, following that, would not adherence to the Benelux agreement be of assistance to them?—A. That is quite true, but I suppose governments,



especially governments that have managed to maintain neutrality in two world wars—and Sweden has—are pretty careful about balancing the protective and the provocative effects of a collective grouping of this kind. On the other hand, countries like Belgium and the Netherlands and Norway know that no effort to be peaceful and harmless will save you if an aggressor wishes to attack. Therefore their policy is a little bolder now than it was in 1939 and 1940.

*By Mr. Gauthier:*

Q. To follow up Mr. Hackett's question about General De Gaulle, if I am well informed, he proposed that all the western European nations should agree to the Brussels pact; is that right?

Mr. HACKETT: He did not say it quite like that.

Mr. GAUTHIER: He wanted all the nations to agree to the Brussels pact.

Mr. HACKETT: Mr. Pearson was very wary. He did not say it in terms specifically, but I think it is the implication, and that was what I was asking.

Qui donc peut retablir l'équilibre, sinon l'Ancien Monde, entre les deux nouveaux? La vieille Europe qui, depuis tant de siècles, fut le guide de l'Univers, est en mesure de constituer, au coeur d'un monde qui tend à se couper en deux, l'élément nécessaire de compensation et de compréhension.

*Translation*

"By whom will the balance between the New and the Old World be restored, if not by the latter? Ancient Europe, which for so many centuries has led mankind, can constitute the necessary factor of compensation and comprehension in a world which tends to be divided in two."

Then he goes on to describe where this is situated, between the North Sea and the Mediterranean.

Mr. GAUTHIER: If my memory serves me well the newspapers of the days after mentioned that his intention was to include all nations, including the two nations of the Iberian peninsula, Spain and Portugal. I see from the reports of the proceedings of the United Nations that every time there is a question of Spain being regarded as a nation to be friendly with either Russia itself or a representative of the present Polish government vote against everything that could be done in favour of getting Spain in the United Nations organization or into trade agreements of any kind. I see there that the shade of Russia has always been flying above the United Nations against Spain, and I cannot understand why the United Nations at large, especially England, the United States and France, cannot see the strategic position of Spain right at the mouth of the Mediterranean sea where the interests of England, the United States and France are well defined. If some day Gibraltar falls with the war weapons we have now that no fortress can withstand, if ever Gibraltar falls then the interests of England, the United States and France will amount to almost nothing. What can Italy do? What can Greece or Turkey do against the power of Russia? Therefore that sea will be lost to the allies and will be lost for good, all the middle East, its oil, and everything. Every help that we can bring to our friends in Europe will be lost. We will have lost the strategic point of Gibraltar. I would like to know something of Mr. Pearson's ideas regarding my belief—if I may ask him that question?

The WITNESS: Mr. Chairman, the policy of the Canadian government on Spain has been laid down in statements made at the United Nations and I do not need to go into them; they are on the record. So far as the general question is concerned it is a matter of government policy. All I would say is that it is a matter of balancing the strategic advantage of having the Iberian peninsula on your side if you were at war with eastern European countries, as against the



political disadvantage of having on your side a state which some countries think has a fascist type of government and which was very friendly with the Nazis during the war. The reconciliation of those two points of view is not my responsibility and I think it is something that I should leave to my political masters.

The VICE-CHAIRMAN: Are there any other questions before Mr. Pearson proceeds with other aspects of world affairs?

Mr. JAQUES: What are the other aspects?

The VICE-CHAIRMAN: Mr. Pearson will go on.

The WITNESS: I do not know what other aspects I should touch. I do not know how long you wish to continue.

Mr. Low: What would you say about the Greek situation and the guerrilla warfare in Greece? Is the commission operating over there?

The WITNESS: Well, Mr. Chairman, as you know the United Nations commission which was appointed at the last assembly has been operating on the Macedonian frontier and on the Greek frontier since last November or December. That commission has been making reports back to the United Nations, some of which reports we see. I think the commission has served a very useful purpose because it has kept watch on the frontiers and if there were flagrant and open violations of them by neighbouring states, in favour of the guerrillas, the commission would be in a position to report those violations. That function has been performed and the report of the commission will be considered by the next meeting of the assembly in Paris. The assembly will then decide whether the activities of the neighbouring states have constituted intervention in the affairs of Greece, and whether such intervention requires further action on the part of the United Nations.

Mr. Low: Do you suppose Dr. Bebler is any nearer to being convinced that those actions do exist?

The WITNESS: I do not think you could convince Dr. Bebler of that.

Mr. Low: What about the Palestine situation, at the moment?

Mr. HARRIS: Have you anything on the Far East?

The WITNESS: Mr. Harris has rescued me from Palestine, so I can say a word about the Far East. The Far Eastern Commission is still meeting in Washington. It has been meeting now for nearly three years. It is having its difficulties. Procedures however, which have become notorious in the Security Council have not been applied to the same extent in the Far Eastern Commission, although four of its members have the veto. The Commission, has, however, been finding it more difficult recently to agree on matters and in that respect it reflects the general deterioration of the world situation. Not very much has been accomplished recently. General MacArthur, the Supreme Allied Commander in Tokyo is falling back upon his authority to issue emergency directives. The United States army is carrying on without too much hindrance from, or, as General MacArthur would put it, without too much help from the Far Eastern Commission. Members of the Far Eastern Commission have also been considering a Japanese peace conference and a Japanese peace treaty. There is no immediate prospect however, of such a conference being held, although six months ago I would have said that there was such a possibility. They are having a great deal of difficulty in establishing a basis for a Far Eastern Peace Conference and I would not be surprised if it were not held for some time. That is about all one need to say with respect to the Far Eastern Commission. The Korean Commission, as you know, has been observing the elections in Korea. Those elections were held on May 10 and the reports were that they were held in a reasonably peaceful atmosphere. I think there were only 950 Koreans killed in the campaign.



Mr. Low: They are making good progress.

The WITNESS: That may sound frivolous but a good many people expected a lot more bloodshed than there actually was. The reports I saw indicated that it was considered to be a reasonably satisfactory result. Nearly 90 per cent of the Korean electorate voted with the result that a government may be set up in southern Korea soon no doubt by the leader of the largest group, the veteran Korean independence advocate Dr. Rhee, whose political views are somewhat to the right of centre. Meanwhile the south is having trouble from the northern part of Korea which is under the U.S.S.R. control and where most of the industrial activity is centred. They have turned off the power up there for the south Koreans. There is no reason to believe the conditions which have prevented the union of the southern and northern sections will be easily resolved or indeed resolved at all, until relations between the U.S.S.R. and the United States have improved.

The VICE-CHAIRMAN: Perhaps you might indicate the present position in China?

The WITNESS: I cannot say very much about that because there is not very much that is new. There does not seem to have been very much change in the last few months. There has, of course, been a formal reconstitution of the Chinese government. This does not represent any great change although the election of the Vice-President was somewhat of a surprise because I believe he was not the official choice of the Kuomintang party. Possibly some significance can be attached to the fact the successor to Chang Chun as Premier, is a man who has not been in the inner circle of the Kuomintang. The strife between the Communists and the Chinese government does not seem to have altered very much in the last few months.

Mr. BEAUDOIN: Would you care to move to Kashmir?

The WITNESS: That problem of course is not by any means solved. The troubles in Kashmir have been before the Security Council and as members of that Council we had to play a part which otherwise we might not have been called upon to play. A United Nations commission has been established. It is, I believe, on the way to Kashmir or is there. It consists of five members and it will attempt to solve an extremely difficult problem. There are two main aspects of this problem. First, the cessation of the violence. There has been, as you know, very serious trouble from raiders on the northwest frontier getting across the border, some according to the Indian government, from Pakistan after the restoration of peace and order, if that can be done, and a solution for the future of Kashmir has to be worked out. The difficulty is that the people are mostly Moslem and the rulers are Hindus, so a free plebiscite might have a result which would not be very popular with the rulers of Kashmir or with India. However, they are in the middle of that problem now and we hope that United Nations, which has done a good deal to prevent this dispute from breaking out into open war, may assist the two governments in finding a solution for it. If the United Nations had not been in being, this dispute might by now have resulted in war.

The VICE-CHAIRMAN: Are there any more questions to be asked of Mr. Pearson?

*By Mr. Jaques:*

Q. It is true that the Pakistan government or parliament are backing the Arab league?—A. The Pakistan delegate at the United Nations from the first day of the first special assembly has been a very consistent supporter of the Arab case in Palestine.



*By Mr. Hackett:*

Q. A very able one?—A. A very able one indeed; so able that the Arabs very often allowed him to be their spokesman.

*By Mr. Jaques:*

Q. That is the official policy of the Pakistan government?—A. It is the official policy of the Pakistan government, undoubtedly, to support the Arab league, in respect of the partition of Palestine.

Q. And actively?—A. Certainly, by word and by vote. But there is no evidence that Pakistan has given any other support to the Arab states in this matter.

Q. Just moral support?—A. Support by a member of the United Nations in respect of the resolutions and recommendations that have been put forward at Lake Success. The Pakistan representative has consistently voted with Arab delegates on these.

*By Mr. Harris:*

Q. I understood some one wanted to talk about Palestine. Is there anything Mr. Pearson wants to say about that subject?—A. Mr. Chairman, I do not know what the committee would like to hear from me on that subject. I might in a few words explain what the present situation is at Lake Success now. The committee, of course, are familiar with the developments which have led up to that situation and which go back many months.

*By Mr. Jaques:*

Q. Do you mean Lake Success or Palestine?—A. I mean Lake Success; I am not sure of what is going on in Palestine.

*By Mr. Hackett:*

Q. Are you in a position to say as a preface whether the carrying of the resolution as proposed by the United Kingdom entailed the withdrawal of the resolution of the United States?—A. Mr. Hackett, that was the point I thought maybe I should touch on. I think it is an important one, and there may be some misunderstanding over that particular situation. As of last Saturday there were two resolutions before the Security Council designed to bring to an end the strife in Palestine: one put forward by the United Kingdom which was a resolution under chapter 6 of the Charter, the mediation chapter, and which required all parties to the dispute to cease fighting. It was not an obligation on the parties in the sense that a resolution under chapter 7 would be, since it would not be followed up by sanctions. It was a resolution of mediation, an attempt to bring to an end by mediation the conflict.

At the same time, there was a United States resolution before the Security Council which was based on chapter 7 of the United Nations Charter. Chapter 7 is the sanctions chapter of the Charter. The resolution was an order to all parties concerned with the situation in Palestine to cease fire and stand still. Any party who disobeyed that order was guilty of a breach of the peace and the necessary action should be taken under chapter 7. That means sanctions; not necessarily military sanctions, but the necessary sanctions whatever they might be.

The United Kingdom resolution does not involve sanctions and was voted upon last Saturday and carried. I think it was carried by a vote of seven to nothing.

*By Mr. Jaenicke:*

Q. Eight to nothing?—A. Eight to nothing with, I think, three abstentions. That resolution does not necessarily mean that there will be no vote taken on



the United States resolution because I think a time limit has been set for mediation. I am not familiar with exactly what has happened since Saturday afternoon because I plead guilty to having been out of Ottawa for a couple of days. I believe a vote may be taken tomorrow on the United States resolution. Mr. Riddell is here and he knows much more about this than I do. Perhaps he could correct me if I am misleading the committee. If I am right, then a vote may be taken on the United States resolution tomorrow afternoon.

Mr. RIDDELL: The vote was taken very late on Saturday afternoon in a rather confused situation. What actually happened was that the United States and the United Kingdom resolutions were voted on as parallel motions. The clause in the United States resolution which called for action under chapter 7 of the Charter was defeated. Apart from that clause the two resolutions were almost parallel. The United States then supported the United Kingdom's resolution and said, at the same time, as Mr. Pearson has suggested, if the action proposed in the United Kingdom resolution were not effective, the United States delegation then reserved the right to re-introduce the resolutions which it had proposed calling upon the use of sanctions for the settlement of the dispute.

The VICE-CHAIRMAN: The United Kingdom resolution was not a resolution which called for sanctions but the United States resolution was, as I understand the distinction.

*By Mr. Jaques:*

Q. If the United Kingdom resolution was not effective, was there any time limit suggested by the United States?

Mr. RIDDELL: A truce was to come into effect within thirty-six hours of the resolution which brought it to noon today, our time. I do not think the United States said specifically they would re-introduce their resolution after any certain lapse of time.

*By Mr. Hackett:*

Q. Was it quite clear whether the United States resolution had been voted down or whether it was suspended pending the trial of the resolution of the United Kingdom?

Mr. CROLL: It was voted down because Canada voted against it. I know that.

Mr. HACKETT: I could not quite make out from the newspaper this morning, exactly what had happened. I understood from the despatch in the *Montreal Gazette* that the United States had not abandoned its position. I do not know how it would reintroduce its resolution once it had been finally defeated in the council.

The WITNESS: Well, Mr. Chairman, may I ask Mr. Riddell to speak to that?

The VICE-CHAIRMAN: Certainly.

Mr. RIDDELL: Am I in order?

The VICE-CHAIRMAN: Yes, you are quite in order.

Mr. RIDDELL: The Americans pressed their resolution to a vote. There was only one fact in that resolution which differed specifically from the United Kingdom resolution. On the vote on that question the United States resolution was lost.

Mr. HACKETT: That is, that the situation in Palestine was not only a threat to the peace but a breach of the peace?

Mr. CROLL: No, that is not it.

Mr. RIDDELL: That is not exactly quite right as only a part of the United States resolution indicated that the situation in Palestine constituted a threat.



to the peace or a breach of the peace and that action should be taken under chapter 7, of the charter. That resolution was defeated. The United States delegation, as I understand it, then said that it would support the United Kingdom resolution which called for mediatory action over the weekend; but that if that resolution eventually proved inadequate it would reserve the right to press again for action under chapter 7, of the charter. I do not think there is anything in the charter or anywhere else in the procedure of the Security Council which would prevent it from doing so.

Mr. JAQUES: Twenty-six hours is the limit, is it not?

Mr. RIDDELL: Twenty-six hours is the time limit within which the cease-fire order should come into effect.

Mr. JAQUES: If they did not stop within twenty-six hours.

Mr. RIDDELL: Then the proposal was that they would consider what action it might be necessary to take.

Mr. Low: Now Mr. Chairman, what sanctions could be invoked against the various parties in this case?

The WITNESS: Mr. Chairman, under Chapter 7 of the charter they could take any action which was required; economic sanctions, financial sanctions, diplomatic sanctions (not very impressive) or armed action, if the Security Council so desired.

Mr. Low: And if the Security Council had the means to do it.

The WITNESS: And if the Security Council had the means to do it; but provision is made in the charter for any kind of sanction which the Security Council may decide to vote.

Mr. CROLL: Did they not go further than that; for instance, suppose the United States should decide that the action of the Security Council is not sufficient satisfaction to them, they might take action on their own such as an arms embargo, or refusing to extend credit.

Mr. Low: How, precisely?

Mr. CROLL: Arms—

The VICE-CHAIRMAN: Would you gentlemen talk just a little louder? I do not think the members down at the end of the table can follow all the discussion; perhaps you might speak louder.

Mr. CROLL: That is a form of economic sanction.

The WITNESS: The various measures which may be taken are outlined very clearly in articles 41 and 42.

Mr. Low: I know that, but what I wanted to get was, in the light of the present situation what they might do. Mr. Chairman, in that connection, just what does recognition of a new state mean?

The WITNESS: This is where I really should have legal advice, Mr. Chairman, I am sure some members of the committee know more about it than I do. There are two kinds of recognition; *de facto* recognition and *de jure* recognition. The latter means the recognition of a particular state as a member of the international community with all the rights and privileges and obligations of such membership. Its government is the legitimate government of that territory. *De facto* recognition is recognition of a government as being in active control over a certain piece of territory but not necessarily that it is the legitimate authority in that control.

Mr. CROLL: What does that mean?

The WITNESS: It is the effective authority in the territory for purposes of administration and for other purposes. It is the government which is recognized



because you want to establish relationship with somebody in the territory and it is the only effective authority. That is defacto recognition.

— Mr. Low: What type of recognition was given by the United States and by the U.S.S.R.?

The WITNESS: The United States gave defacto recognition. The U.S.S.R. did not specify whether their recognition was defacto or de jure, and I do not quite know which it is.

Mr. HACKETT: Just on that point was there not some conflict between the British and the United States as to whether there was a defacto state which could be recognized.

The WITNESS: Mr. Chairman, the United Kingdom government, as you know had not recognized any authority in Palestine at the moment. No doubt they have reasons. I do not know about that. They have not taken any action, and have indicated they will not take action at the moment.

Mr. Low: Mr. Bevin said that there is not an election in Great Britain until 1950.

Mr. CROLL: The South African government have recognized it defacto. They recognized it today.

Mr. Low: Is that so?

Mr. CROLL: Yes.

Mr. JAQUES: Would you say that the reason of the United Kingdom would be their undertakings with the Arab league? Would you say that the hesitancy of the United Kingdom to recognize the new Palestine government, even defacto, would be due to their undertakings with the Arab league?

Mr. MACINNIS: I do not think we should ask Mr. Pearson to give reasons why the United Kingdom government did not do something or did something—

Mr. JAQUES: He need not answer, but I am just asking that.

The WITNESS: I have no comment on the reasons that may have inspired the United Kingdom government. I do not know what they are, and if I did know what they were I do not think it would be appropriate for me to comment on them.

The VICE-CHAIRMAN: I think Mr. Pearson is quite right on that.

Mr. JAQUES: The reason I asked was because I believe it was stated officially in the press that the reason they gave to the United States was that if Communism was to be stopped then they must preserve their good relations with the Arabs. That was stated in the press on Saturday. That was what prompted my question.

The VICE-CHAIRMAN: I should think that would be something which, if we were to go into it for any distance, ought to be an official statement of the British government rather than to ask any official of the Canadian government for the reasons which prompted the British government to take any particular action.

Mr. HACKETT: It would have to be surmise in any event.

The VICE-CHAIRMAN: I think so.

Mr. CROLL: Have we covered the Indonesian affair? We might as well cover it.

The VICE-CHAIRMAN: I would not like to deny you the privilege of asking that question.

Mr. CROLL: I thought Mr. Pearson would like to cover that, too.



The WITNESS: The situation there is that the Security Council have sent to Indonesia a Good Offices Committee which was appointed as a result of a Security Council resolution. That committee has had considerable success in Indonesia in bringing to an end the actual fighting between the Indonesians and the Netherlands troops. An arrangement has been reached by which there will be set up a United States of Indonesia, which would include the Republic of Indonesia and other native states; this sovereign state—because it would have sovereignty—would be in association with the Netherlands in a form not very dissimilar to that of the association between the dominions and the United Kingdom in the British Commonwealth. They are in the midst of trying to work out the detailed arrangements for that purpose. It is a pretty difficult process, but agreement has been reached in principle and it is hoped that some time in 1948 there will be established the United States of Indonesia in association with the Crown of the Netherlands, and that this will be a solution for that particular problem in that part of the world.

Mr. Low: I had not quite finished the Palestine matter in my own mind. I do not want to interfere but there is one thing that maybe the members of the committee might be interested to know, and it depends on whether Mr. Pearson would like to say anything about it. What was the truth behind the sudden move of Truman in recognizing—

The WITNESS: That would be just as embarrassing a question for me as the motives behind the United Kingdom government in not recognizing Israel. I am sure you are even more competent to answer that question than I am.

Mr. Low: You see dozens of different explanations in the press.

The WITNESS: Well I have seen nothing which would substantiate or otherwise any explanation which you have seen in the press.

Mr. JAQUES: Has not the Canadian attitude shifted somewhat?

The VICE-CHAIRMAN: Order, please? Mr. Jaques?

Mr. JAQUES: Has not our Canadian government's attitude shifted in regard to partition? Are we not backing the British position now where previously we had backed the United States position? Is not that a fair statement?

Mr. MACINNIS: It is not a question which should be asked of the under-secretary of state.

Mr. JAQUES: I think it is perfectly fair.

Mr. MACINNIS: Ask Mr. St. Laurent.

Mr. JAQUES: If Mr. Pearson does not care to answer it I am perfectly agreeable but I think I have the right to ask. I am not now speaking of the British attitude or the American attitude but I am speaking of the Canadian attitude.

The VICE-CHAIRMAN: I do not think Mr. Pearson ought to be asked any questions which deal with the formulation of government policy because after all that must be taken at other levels. If Mr. Pearson cares to say something with respect to what the policy is, that might be quite proper.

Mr. JAQUES: I am not asking what it might be, I am merely asking if it is not a fact that the Canadian government attitude has already altered.

Mr. HACKETT: Possibly we could agree that there have been some unexpected findings by the General Assembly and by the Security Council as to functions and duties in this vexing situation.

The WITNESS: I cannot of course say anything in regard to the consistency or the inconsistency of government policy on any matter. As I understand it the policy of the government as announced last year—and this is quite public—was to support the partition of Palestine so that there would be a Jewish state and an Arab state with economic unity and free communication—partition, with econ-



omic unity. So far as I know from the study of the documents put before me there is no change in that policy of supporting in principle partition and economic unity as the least undesirable of all solutions that have been put forward for this Palestine problem.

Mr. JAQUES: That was reversed by the United States and how would that effect our original suggestions?

Mr. HARRIS: What is that question?

Mr. BEAUDOIN: I wonder if Mr. Jaques would not speak up a little? It must be very interesting up there.

*By Mr. Jaques:*

Q. My question was whether Mr. Truman's reversal of his partition policy would not automatically reverse our own position?

A. I think the American policy was in favour of partition when I was at the United Nations a year ago. Then as a result of certain developments—and Mr. Hackett has spoken about some unforeseen developments which possibly had not been taken sufficiently into account of a year ago—the United States later produced a scheme of trusteeship as a possible solution, but they did not press that, if I am right, to a decision; there was not sufficient support for trusteeship. They abandoned the trusteeship idea and returned to the original idea of partition. The best evidence of this return is, no doubt, their recognition of Jewish state.

Q. That recognition would involve the policy of partition?—A. I would think that it means that the United States is still in favour of partition into Jewish and Arab states.

Q. That is a reverse again?

The VICE-CHAIRMAN: Gentlemen, I think we are very close to the line where we should be making our inquiries of those who have government policy in the making. I would be rather inclined to think Mr. Pearson is not the person to ask further questions in respect to that delicate line; I think the answer should come from the parliamentary assistant or the minister himself.

Mr. HARRIS: Oh, no.

The VICE-CHAIRMAN: I was going to proceed to say that the minister will be before the committee at a later date, and I think Mr. Jaques will perhaps have many more questions before that time; and I suggest that he postpone those questions until then.

Mr. JAQUES: They will be all settled by then.

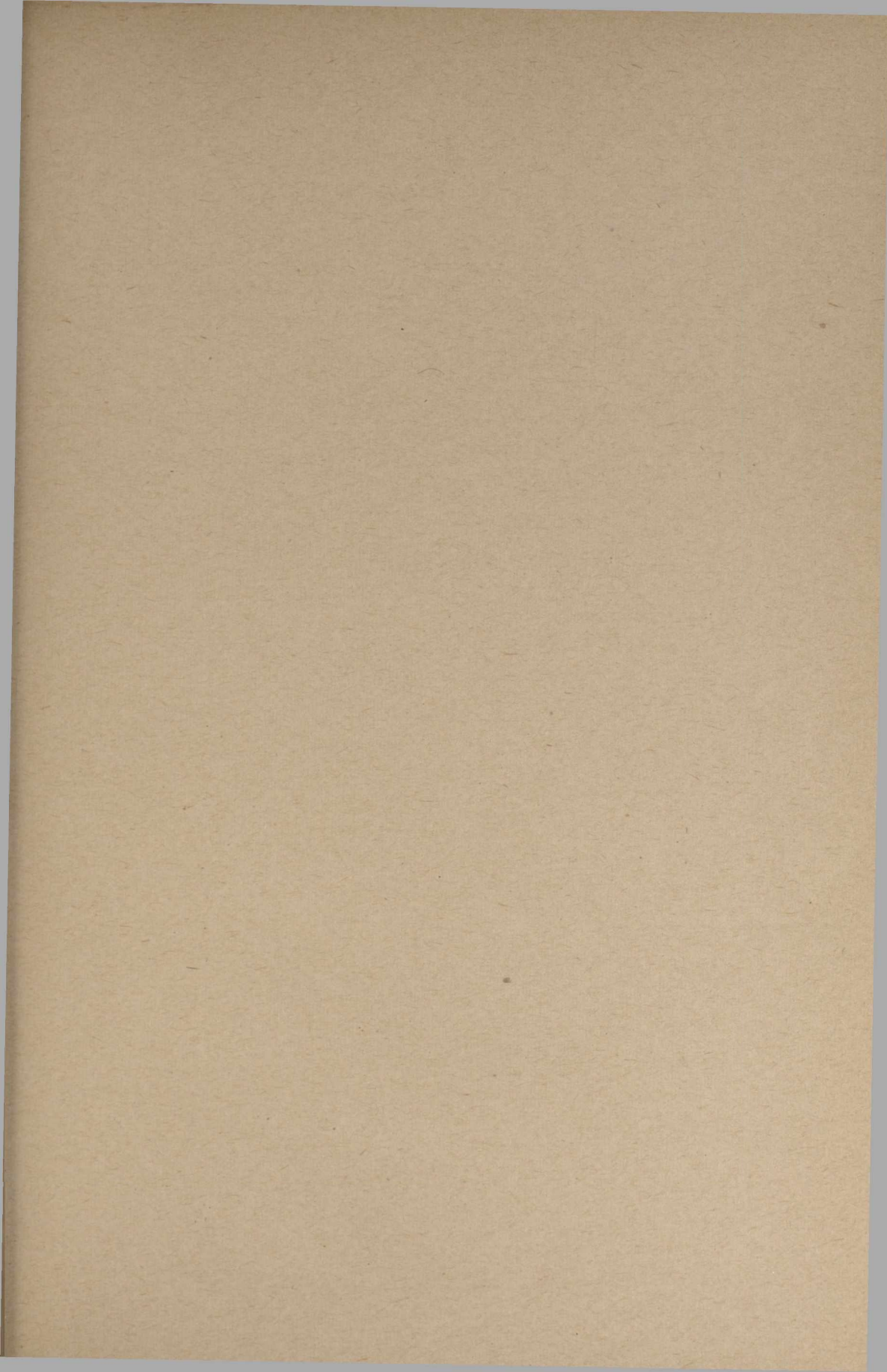
The VICE-CHAIRMAN: Now gentlemen, is there anything else that you wish to ask Mr. Pearson? We are close to our time of adjournment. If not, may I express on behalf of the committee our appreciation for the very valuable contribution made by the Under Secretary of State of External Affairs. He has been most lucid in his explanations, more than that he has been very generous in his answering of the various questions put to him. I would like on behalf of the committee to extend to him our thanks for the very able manner in which he has handled this matter.

The committee adjourned.























SESSION 1947-1948  
HOUSE OF COMMONS

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STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

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WEDNESDAY, MAY 26, 1948

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WITNESSES:

- Mr. W. D. Matthews, Assistant Under Secretary of State for External Affairs (Administration);
- Mr. Lester B. Pearson, Under Secretary of State for External Affairs;
- Mr. T. W. L. MacDermot, Chief of the Personnel Division.

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1948







## MINUTES OF PROCEEDINGS

WEDNESDAY, May 26, 1948.

The Standing Committee on External Affairs met at 8 o'clock this evening. Mr. G. Gordon, the Vice-Chairman, presided.

*Members present:* Messrs. Baker, Beaudoin, Dickey, Fleming, Gauthier (*Portneuf*), Graydon, Hackett, Jackman, Jaenicke, Jaques, Knowles, Lapointe, Low, MacInnis, Marquis, Picard, Pinard, Raymond (*Beauharnois-Laprairie*) and Winkler.

*In attendance:* Messrs. L. B. Pearson, W. D. Matthews, T. W. L. MacDermot, Chief of the Personnel Division, S. D. Hemsley and Mr. Wright.

The Committee resumed its consideration of the estimates referred: Votes 53 and 54.

Mr. Matthews was called. He made a general introductory statement on the departmental main and supplementary estimates. He tabled for distribution copies of a comparative analysis of estimates for the years 1947-48, 1948-49 and was questioned thereon.

Mr. MacDermot was then called and examined on personnel matters. In answer to Messrs. Hackett, Fleming and MacInnis, the witness stated that there were 203 permanent and 680 temporary employees; 190 are in the officer group and 865 in the non-officer group.

Mr. Pearson was interrogated on Vote 53—Passport Administration.

Messrs. Pearson and Matthews supplied information on Vote 54: Representation abroad.

Votes 53 and 54 were also allowed to stand.

At 10.30, on motion of Mr. Gauthier, the Committee adjourned until Monday next, May 31, at 8.30 in the evening.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*







## MINUTES OF EVIDENCE

HOUSE OF COMMONS,  
May 26, 1948.

The Standing Committee on External Affairs met this day at 8.30 p.m. The Vice-Chairman, Mr. Gordon Graydon, presided.

The VICE-CHAIRMAN: Gentlemen, just as I call you to order may I depart from the business of the committee for just one moment to say that I am sure that all of us who are sitting in this committee and who regard our friend, Mr. Hackett, so highly, will want to share a little in his happiness, on this occasion. He has just returned from McGill University where his only two boys graduated together today. I am quite sure that you want me to make some mention of that because John feels very happy and I am sure we all feel very happy with him.

Some Hon. MEMBERS: Hear, hear.

Mr. HACKETT: Thank you very much.

The VICE-CHAIRMAN: Tonight we are going to be favoured with a short analysis of the administration end of the various branches of the Department of External Affairs. Perhaps we might pass on from the departmental administration, vote 52, with the understanding that it stand. Let us take vote 53, which is nominally the passport office administration, and let us call Mr. Matthews, who is the assistant under-secretary of state for External Affairs. I understand he has come prepared to say something with respect to the administration end of the various branches with which we will be dealing. He will relate something in connection with the expenditures of each of these branches. Following that discussion we could go back to the passport administration question after the general discussion has taken place.

**Mr. W. D. Matthews, Assistant Under-Secretary of State for External Affairs, called:**

The WITNESS: Mr. Chairman, we have had prepared some statements similar to those we passed out to the members of the committee last year, giving the figures of the 1947-48 main estimates, the figures of the 1947-48 funds available, including supplementary estimates, and in the details, including the transfers between allotments. The 1947-48 expenditures are still subject to minor adjustments as our treasury office has not yet completely closed its books. If I could have these statements passed around I think the members may find them of interest.

The main expenses of the administration of the department are met out of two funds; the vote for the departmental administration and the vote for representation abroad. Members will notice from these tables that the estimates for the coming year are up quite substantially for both of these votes. That arises very largely from the increase in the number of missions that Mr. Pearson mentioned some evenings ago. The number of missions named in the estimates for the past year was 25. The number named for the coming year is 37. Those 12 additional offices were opened throughout the past year, so that in no case was a full year's expenditure incurred. During the coming year there will be the full



expenditure for these extra 12 missions. In addition, during the coming year, as has already been mentioned, there will be new consulates opened in Detroit, San Francisco, Boston, and probably one at some west coast point. In making our estimates it is necessary to provide against the eventuality of other posts becoming essential. The greatest increase is in the pay list items. The staff has increased from the figures as of April 1, 1947, of 862, of whom 401 were abroad and 461 in Ottawa, to a total staff at April 1, 1948, of 1,049, of whom 531 were abroad and 518 in Ottawa. It can be seen from that that an increase in missions also involves an increase in the staff and the work of the department in Ottawa. As well as the increased number in staff there are two other factors that have given rise to increasing costs. One factor is the general salary revision that has taken place throughout the whole civil service. Another factor is the continued increase in costs of living at almost all of our posts abroad. An indication of the extent of that increase was obtained at the time we were preparing our estimates. At that time the Dominion Bureau of Statistics were receiving reports of costs from all our posts abroad, and they advised us on the basis of that data that we should figure on a requirement of 15 per cent increase in our allowance rates abroad. That was borne out in their final figures, because when the final figures came out two indexes went down. Several indexes stayed approximately the same, but the balance all went up. So, you have the increased costs for any given service together with an increased number of posts. These two factors combined have resulted in a fairly substantial increase in our anticipated expenditure. The comparative figures are as follows:

The estimates including supplementaries for 1947-48 for departmental administration were \$1,629,604, of which we spent \$1,589,561. Our estimates for the present year, 1948-49 are \$1,915,860. For "representation abroad" our estimates for the past year were \$4,008,108. We spent \$3,523,000, and our estimates for the next year are \$5,083,082. That figure of expenditures is slightly different from what is given in the table. This was discussed with our treasury officer today and I find that in the process of completing our accounts for the fiscal year these figures have been amended. However, I think the \$3,523,000 will be right within a very small margin as almost all adjustments have now been made.

*By Mr. Jackman:*

Q. For the purpose of ascertaining some information and to give Mr. Matthews a rest, may I ask him if there is any standard by which we could measure the amount of money and the amount of personnel which is divided between home service and foreign service? For instance, if you take the British or American service is it about 50-50 as it seems to have been running in Canada in the last few years? Last year we had 401 personnel abroad and 461 in Ottawa and this year we have 531 abroad and 518 in Ottawa. Once the service gets stabilized—if I may put it that way—and becomes matured, will there be any standard as to how much personnel there will be and how much of it will be put on foreign duty?—A. I do not know of any standard, and I have never gone over the figures of other foreign services in that regard. I should think that as the service expands, the proportion at home would decrease slightly, as you notice it has. The increase at home during the past year has not been as great in proportion as the increase abroad because a lot of work, for instance, which is prepared in the Information Division, is of use in all offices abroad. Therefore, I think if we should expand the number of offices, the increase in total staff at home would be in a smaller proportion than the increase in the staff abroad.

The VICE-CHAIRMAN: You have not made any reference to the question of supplementaries for this year. I suppose you would have no idea what would be required?



The WITNESS: No. We will probably be called upon in two or three weeks to prepare supplementaries. Undoubtedly there will be some items, but we have not yet done the preliminary work.

*By Mr. Fleming:*

Q. You mentioned allowances. How are those calculated?—A. For all posts where it can be done the Dominion Bureau of Statistics establishes an index of the cost of living for officers serving at those posts. That is based on a very extensive questionnaire which is sent to each post and which is returned from each post. On the basis of that information there is established an index number, and depending upon what that index number is, the amount of the allowance for each rank of officer at the posts is determined. There is a review made at least once a year to take care of changes in costs at the various posts during that time. If costs rise very quickly, the head of the post can ask for supplementary questionnaires to be considered by the Dominion Bureau of Statistics. Actually, we had no such supplementary questionnaires submitted last year. There are some posts where the conditions are still so chaotic that they have not been able to establish allowances on that basis, and the normal practice there is to provide for board and lodging rather than allowances. For instance, in China you cannot possibly provide an allowance. Some services who have tried to do so have had to adjust their allowances monthly.

Q. Is the allowance calculated on a percentage of salaries? Is there an attempt to equalize the amount paid to employees regardless of the salaries in the various classifications?—A. No, it varies according to the grade of the officer. A person who is a foreign service officer grade 1, who is normally a third secretary, receives a smaller allowance than the first secretary because the first secretary is expected to do a good deal more representational work than a third secretary. Therefore, it varies according to the grade.

There are several factors which should be considered when comparing the actual expenditures of 1947-1948 with the estimates for the coming year. One is that the expenditures in representation abroad are probably understated by about \$150,000. At the request of the Auditor General we had our missions abroad close their accounts for the expenditures for the past fiscal year about the middle of March.

Our accounts have to come in from all over the world, and be processed by our treasury officer. As a result, they were always amongst the last to be available to the Auditor General for the preparation of his annual report. As he wanted to get that report submitted to parliament at an earlier date, he asked us to arrange to cut off our March accounts about March 20.

In previous years, we had actually held March accounts open until April so we could charge to the old year's expenditures payments for services rendered during March. The March accounts which were received and payable early in April were charged to March. So, for expenditures incurred by our missions abroad, 1947-48 includes eleven months rather than twelve. There are several other factors which make it necessary to have what might be called a working capital fund. We are trying, in co-operation with our treasury office, to reduce the need of that fund. All travel advances and other advances outstanding at the end of the year are charged against the funds available in the old year even though a fairly substantial portion of that advance may eventually be refunded. In the same way, all bank balances held by our missions at the year end are charged against the old year's funds. Only as amounts are transferred to the new year are they charged against the new year's fund and credited back to the old year. The same is true of expenditures incurred for other departments.



Other departments may have expenditures in a country and no mission there. We make disbursements for them and collect when the accounts from our missions are received in Ottawa.

There are some peculiar types of cases which arise from the nature of our business. Last year, we had an arrangement whereby we received from the Polish foreign office zlotys, their currency, and repaid the equivalent to the Polish mission in Ottawa at the rate of one cent a zloty, on an interim settlement basis. Final settlement was to be made when a final rate of exchange was established for the zloty. Last December, a rate of  $\frac{1}{4}$  cent rather than 1 cent was established and as a result, we had a credit at the end of the year of \$18,000 which had been charged against our old year's fund. But, that is finally credited into the old year and charged against the new. We will continue to draw zlotys without repayment until that credit is used up.

The total amount of these charges against the working capital fund at the end of the last fiscal year was something over \$450,000 according to the report we received from our treasury office. All our funds were tied up and we had great difficulty in affecting payment at the end of the year. When we get all these credits back, you will notice we have about \$475,000 free money. So, for that reason, even though our estimate for the coming year is \$5,083,000, there is no possibility of our expending that amount. To the extent we need this working capital fund our expenditures cannot come up to that and a certain amount of that will be transferred and charged against 1949-50. Both these factors should be taken into account when comparing the actual expenditures of 1947-48 with the estimated expenditures of 1948-49.

There is one other safety factor which we have to provide.

*By Mr. Hackett:*

Q. Just a moment; you say there is no possibility of spending the \$5,083,000—is that the figure you have mentioned?—A. Yes, that is the figure.

Q. Well, according to your outline, by how much do you consider this \$5,083,000 exceeds the likely expenditures?—A. Last year the amount we had tied up which we could not touch at the end of the year and which was credited back before the goods were closed was very nearly half a million dollars. We are now trying to work out with our treasury officers some way by which such a large proportion of our fund will not be tied up. I do not know to what extent we can reduce it, but I hope we can reduce it to about a quarter of a million dollars. I do not think we can get it much below that. We have to have bank balances outstanding at the end of the year.

*By Mr. Jackman:*

Q. These unexpended balances are lost to the department?—A. They are lost to the department. They lapse, but the balances which are carried forward are charged against the new year's allotment.

*By Mr. Fleming:*

Q. There is no possibility of your having available for the current year more than the sum voted by parliament?—A. No, they are very careful about that.

As I was saying, it is necessary to have another safety factor to be on the generous side rather than the stingy side in preparing our estimates. We have to estimate, in November, for expenditures which will be incurred over a period ending a year from the following March. We have to make sure we have enough funds to pay salaries to our staff all around the world in March, irrespective of the changes there may be in exchange rates or in cost of living in all



those countries. At times, the unforeseen changes will offset each other. However, we have to make sure they do not offset each other we at least have a margin to protect our March payroll.

An indication of that can be seen in what has happened since last November when we prepared our estimates. At the time we prepared those estimates we were paying 1 cent for each French franc and now we are paying  $\frac{1}{3}$  of a cent. At the time we prepared those estimates, we were paying  $8\frac{1}{2}$  cents for each rouble and now we are paying 12 cents for each rouble. Those two will offset each other, but we never know what is going to happen in such things as exchange rates and cost of living fifteen months from the time we are preparing our estimates. Therefore, we have to err on the generous side in case on balance such charges are against us if we are to be able to continue operations at the end of the year.

*By Mr. Hackett:*

Q. Purely to satisfy a vulgar curiosity, how do you arrive at a figure? Do you put on a given percentage? Do you add a given percentage after you have arrived at the best figure possible? Do you add 10 per cent or something like that?—A. No, we go down the various items. Your first item is your salaries. We know what the complement of staff of a mission should be. Undoubtedly at periods during the year a good many missions may be short one or two from their complement, but we provide for the salaries for the full complement. That gives you a little leeway there. We also provide for the allowances for the full complement. Then when we get to the final item in the list for all of our missions, which is sundries, we again err on the generous side. We have not done it by just allowing a flat percentage.

Q. Are salaries paid in the coin of the land to which the representative goes?—A. For Canadian staff posted in any country with which there are normal banking relations we deposit their salary cheque in Canada and let them have their bank transfer their funds to them as they need them. In some countries where normal banking channels are not available we permit our staff to draw from mission funds and reimburse by cheque in favour of the receiver general. Their salary is deposited in Canada, but they draw in currency of the country to which they are posted.

Q. That means that the representative in France where he had \$1,000 would get more in that country, and where the man in India was getting \$1,200 he is now getting \$800?—A. No, actually when the rate of exchange varied so sharply in France we cut allowances. The other country I mentioned was Russia where we adopted an unusual procedure that only applies in Moscow at the time the mission was first opened. It is a procedure that had been established there by various other missions. Up to a maximum set by the department we let those people draw their requirements in roubles at a guaranteed rate of exchange, so actually the cost of roubles for our staff up to that set maximum, which is meant to meet their essential living requirements, did not vary. The Department bore the loss, the amount of which is charged to the vote for loss of exchange.

*By Mr. Fleming:*

Q. So far as the department is concerned all allowances and salaries are paid in Canadian funds?—A. Yes, but, of course, one of the factors in determining your index of living is the exchange rate between the currency of the country where a member of the staff is posted and the Canadian dollar.

Q. That would apply only to allowances; the salary is fixed?—A. Your salary stays, but your allowance is determined by weighting 70 per cent of your salary plus the basic allowance on the assumption that 30 per cent is normally



spent in Canada for purchasing food here, clothing here, insurance premiums, and so on. Seventy per cent is spent at the post. So if the exchange rate moves against a person there is an adjustment in regard to 70 per cent of his salary.

Q. He takes his own risk as to the 30 per cent?—A. Yes; as to the other 30 per cent we assume that is approximately the amount the average man will spend in Canada for insurance, clothing, education of children, and all the various items for which a Canadian abroad will still be spending money in Canada.

*By Mr. Picard:*

Q. Have you ever considered sending abroad Canadian dollars in a diplomatic pouch?—A. No, we have never done that.

Q. I am told that the South American republics in Paris pay all their staffs in American dollars sent from their own governments.

Mr. HACKETT: You might send a few cigarettes, too.

Mr. JACKMAN: And they exchange it on the black market, I suppose.

Mr. PICARD: I do not know, but I know it was done in Paris in 1936, but we do not do it?

The WITNESS: No.

*By Mr. Jackman:*

Q. Mr. Matthews, in regard to salaries and expenses of maintaining embassies abroad do we have to purchase very much American currency, convert our funds into American currency before they are converted into the foreign currency?—A. We actually do all our transactions through the Bank of Canada, but except for countries in the sterling area I understand the Bank of Canada has to give United States dollars to obtain foreign currencies of the countries. We usually will buy pesos, or whatever currency is required, direct from the Bank of Canada, but I believe they have to purchase those in exchange for United States dollars. In some countries we do establish a United States dollar credit. In some places that is better, and then the chief of the mission will, through the local banking channels, convert into the local currency. We do that particularly in cases where we are nervous about the exchange rate of a particular country. It is away better to have your balance on hand in American dollars than in some doubtful currency.

Q. What I want to find out is whether or not the maintenance of our external affairs representation abroad is costing Canada a goodly sum, let us say \$4,000,000 or \$5,000,000 in American currency, which is very scarce?—A. No.

Mr. HACKETT: 70 per cent.

The WITNESS: First of all you deduct the amount spent on high commissioners' offices which for the coming year is estimated to be \$899,650. You would also have to deduct a substantial proportion of your total pay list items. As I said we figure about 70 per cent of the salaries and allowances are spent abroad. A very substantial proportion of the total vote for representation abroad consists of salary and allowances, and 30 per cent of that salary and allowance provision would be spent here.

*By Mr. Hackett:*

Q. Then there is the sterling area?—A. Or in the sterling area, yes. Then a very large amount of our expenditures on behalf of missions are purchased in Canada, items that are shipped to these missions. These purchases for the missions are charged against the vote for representation abroad. I have not got the exact proportion of the total expenses of a mission that are incurred in the country, but it certainly would not be, once you take out salaries and purchases



here, over 40 per cent of the appropriation for missions that would normally be spent in the country. Certainly to the extent you have expenses in the country, and it is a hard currency country, it does cost us hard currency.

*By Mr. Jackman:*

Q. As an offsetting item, however, all the money spent by the American embassy is hard currency coming into Canada and very welcome on that account. How does it work in the case of the Argentine? Does that bring in American currency or Argentine pesos?—A. I understand that the Foreign Exchange Control Board only deals in two foreign currencies, sterling and United States dollars, so that for payments from hard currency countries to Canada settlement is made in United States dollars.

Q. You would not like to wager a guess on whether or not the Department of External Affairs is a producer of hard currency, or a loser?—A. No, I would not want to wager a guess on that. Certainly, as Mr. Pearson was pointing out the other night, there are some 200 foreign consulates in Canada compared to our total of 37 missions abroad. That is 200 consulates plus more diplomatic missions in Canada than we have abroad, and the chances are that their expenditures here would be greater than ours abroad.

Q. One reason I ask the question is I understand Australia, for instance, has curtailed their diplomatic representation abroad by reason of the shortage of American currency, and I think I heard one of the South American countries had drastically reduced its minor officials abroad because of the scarcity of United States funds?—A. Well, I am afraid I have no accurate figures as to what others spend here. I cannot give you that.

Mr. MARQUIS: What is the meaning of these letters over here on these last three pages?

The WITNESS: I was going to come to that to explain the different setup in our accounts for the current year. As has been pointed out, when you come to the total expenditures in the various missions abroad, shown on the last few pages of this mimeographed material I have given to you, you will find two separate figures opposite each mission; one is for operating expenses and the other is for capital expenses. In previous years, when we set up our estimates and also our reports to this committee we had included one item for each mission. In that item we included a certain number of purchases of non-consumable items. We had a separate allotment under the heading of "To build, furnish and equip premises," against which we charged capital expenditure of a major nature. In discussion with our treasury officials we came to the conclusion that a distorted picture was given if capital items were included in the annual expenses of any mission, because one year expenditures might be away up and the next year would be back to normal. Therefore the comparison from year to year would mean nothing. We also decided it was not desirable to lump all capital expenditures in the single item of "To build, purchase, furnish and equip." We consider that they should be divided between the individual offices. So in our estimates for this year, and also in the figures you will find for each mission in the tables I have given to you the anticipated capital expenditures and the anticipated operating expenditures are separated.

*By Mr. Fleming:*

Q. Does the breakdown on the last page relate to the breakdown as between operation and capital expenditures?—A. The item "To build, purchase, furnish and equip" covers two separate things. In building up the amount of capital expenditures at a given office we went over the items of expenditure that, in November, appeared to us to be fairly certain to be incurred in respect to that office during the fiscal year starting on next April 1. We knew that we could not anticipate everything of that kind, so an additional sum was put into the allot-



ment you mention. As this is expended it will be transferred to the individual mission account and at the end of next year will be reported as an expenditure of the mission. But that is the amount that we estimated would be needed to meet the expenditures which we could not with any certainty forecast last November.

Q. You do not seem to have here anywhere a total of capital expenditures and a total of operational expenditures, and I was wondering if the third sheet gave us a lead on that?—A. I am afraid I haven't with me a total of the expenditures incurred during the last year. You will see in the printed estimates that the capital items included in the estimates for all the various Canadian missions for the current year totalled \$629,000. I am afraid I haven't got the total of the actual expenditures on capital account.

Q. And the operations total? If you haven't got it with you at the moment perhaps you could give it to us at another meeting.—A. Yes.

Q. I was just wondering how this looks in total, the figure on these last three pages.—A. I can easily have those added, both of them—expenditures during the last year and the estimates for the next year.

*By Mr. Hackett:*

Q. I notice, for instance, on the first of the three last pages that we have an estimated capital expenditure in the United Kingdom of \$185,000 as compared with \$19,000 in France and \$34,500 in the United States. Are we purchasing a building?—A. Yes. We just recently have bought a residence for the high commissioner in London. This provides not only for the purchase of that building but certain repairs and alterations that are necessary and also for the furnishings, all of which we hope to have completed during the current fiscal year.

Q. Could you tell us where it is?—A. Yes, 12 Upper Brook Street.

Mr. FLEMING: I see the expenditure in the United States on capital account is \$348,723.69. Would that cover anything more than the new residence?

The WITNESS: The price of the new residence was \$300,000; and with adjustments on closing and conversion from U.S. funds, the cost came to \$304,000. We had another item, that was converting certain portions of the old residence to offices—we had to remove bathrooms, a kitchen, and a pantry and turn that space into offices. That cost \$20,000. Also in Washington last year we installed air-conditioning units in the chancellery.

Mr. HACKETT: The cost of conversion was, what?

The WITNESS: \$20,000 was the cost of conversion.

Mr. HACKETT: I mean, the cost of the conversion of the currency.

Mr. FLEMING: We are dealing with the capital expenditure.

Mr. HACKETT: I understand that. I was wondering could that have been included.

The WITNESS: It is included in the purchase price—the total expenditures also include the alterations in the chancellery to make certain rooms suitable for office purposes, also the air conditioning.

Mr. Low: And the exchange was included?

The WITNESS: Yes, that was included.

Mr. KNOWLES: That is a big advantage.

Mr. FLEMING: The figure you gave was \$24,000?

The WITNESS: No, it is \$304,000. \$20,000 is the renovation and \$10,000 is air conditioning; and there are various sundry items—the purchase of a refrigerator, lamps, shades, rugs, etc.

Mr. FLEMING: And that came to \$24,500—is that it?



The WITNESS: That is the estimate of capital expenses in 1948/49. We did not complete the air conditioning so there is still some air conditioning to be done this year. There is also a certain amount of furnishings to be paid for costing about \$8,000—some old furnishings and curtains and draperies did not suit the new building and we have to replace those. One fact that is interesting, is that the rental payments that we were able to drop as a result of owning your own building were \$23,000. As well as that saving of \$23,000—you have a further saving in that you have common services for all Canadian government offices; such as a switchboard, and one set of messengers. There is a saving of somewhere about \$27,000 to \$30,000 a year on account of owning this year as opposed to having to rent in the past.

*By Mr. Hackett:*

Q. Is there any reduction in staff?—A. Undoubtedly, if the Canadian officers were spread around the city you would need a larger messenger staff; there are also savings in other groups as a result of sharing services.

Mr. JACKMAN: Other things being equal, the staff was reduced?

The WITNESS: Yes.

*By Mr. Fleming:*

Q. You are not contemplating during the year purchasing the property alongside the residence of the embassy, are you?—A. No, I have not heard any suggestion of that.

Q. There was some talk of that. There was a vacant lot to the north of the residence, and there was some talk of purchasing that to protect the investment in the property?—A. I have not heard of that.

Q. It is not provided for?—A. No.

*By Mr. Jaques:*

Q. With regard to the residence in Washington, is that the one we discussed last year?—A. Yes, that is the one that was discussed last year. Actually the deal was not closed until sometime in the early fall.

I think, Mr. Chairman, while we are on the point of purchases I might mention the general approach of the department with regard to the acquisition of properties as opposed to the leasing of them. As a general thing we consider it would be desirable to own rather than to lease premises, for two reasons: one is the one that I mentioned before, that there is no tax obligation upon you if you own the property while there is a tax included in the rental if you rent a property; the second is that if you rent you do have from time to time to move from one premises to another, and that is always a very expensive proceeding, quite apart from it being a very disturbing one to the persons at the post at the time. There always will be an expenditure of probably \$10,000 or more when moving, by the time you have adjusted your curtains and drapes and furniture and such things to suit the new building.

From a purely financial point of view it undoubtedly is desirable over a period of time to own your building. There are limiting factors. The first is that if there is any acceptable alternative. We would not consider the purchase of a building where the purchase of the building involves the expenditure of United States dollars. The second limiting factor is the need of supervising very carefully any acquisitions of premises. It does leave open two areas within which we can consider the purchase of suitable premises as they become available. The first is obviously in the sterling area, and as we have already mentioned we are going ahead with a purchase in London now; the second is that we are now exploring the possibility of making use of certain credits as the result of wartime or post-wartime operations that have accrued to Canada from



various countries in the world. It seems probable that in certain of these countries debts owing to Canada cannot for a considerable time be paid in hard currency or in any currency other than the one that can only be spent internally within the debtor country. Where that is the case we are exploring the possibility of accepting in partial payment of those obligations premises bought in the currency of that country.

Mr. FLEMING: Paid for?

The WITNESS: Yes. We have not yet got further than the exploratory stage on that; but, as there would be no foreign exchange costs, it would result in the advantage of owning as opposed to renting. In most of those countries the currency for the rental is costing us hard currency at the moment.

*By the Vice-Chairman:*

Q. Would not there be another factor involved as well, and that is the time of purchase and the level of prices at the particular time when the purchase was contemplated?—A. We do not feel that just because a premises is going to be paid for in this manner rather than in cash that we should pay anything more than a reasonable price or buy any premises that is more than reasonable for our needs in that post. We will still consider the prices as we would if we were paying out new money for it.

*By Mr. Hackett:*

Q. Mr. Matthews, there seems to be a little misunderstanding among my friends here. Is there included in the price that was paid for the Canadian residence in Washington any exchange?—A. Yes, the cost price was \$300,000 United States funds, that costs one-half of one per cent in addition, or \$301,500 in Canadian dollars.

Q. That is not what I was speaking of; that is simply a service charge. Our supply of American dollars is low, and we arranged the other day for a loan in the United States—I think Mr. Abbott said it was around \$150,000,000—

Mr. MARQUIS: \$80,000,000.

Mr. HACKETT: \$80,000,000? If we had to pay that back tomorrow we would probably have to buy United States dollars in the open market and they would cost us possibly somewhere between 7 and 10 cents of a premium; I am asking if there is anything which would represent that exchange cost included in the price?—A. No. There is only one other general matter which I would like to mention and that is certain items which appeared in the Auditor General's report last year. There were comments on two items, the first of which I will mention is removal expense claims which he pointed out had not been cleared with the Treasury Board. What I particularly want to bring up is that certain people gathered the impression that the reason why those were not approved was that our officers abroad had not submitted an accounting for advances. That is definitely not the case; I want to explain the circumstances that gave rise to the comment of the Auditor General.

Mr. FLEMING: For our information what was the comment of the Auditor-General? Will you read it?

The WITNESS: Yes. It is item 64, and reads as follows:

64. Regulations governing the payment of removal expenses stipulate that Treasury Board approval be obtained before payment is made. General practice is to make accountable advances to individuals to cover the estimated cost of removal, and to require the subsequent submission of accounts to Treasury Board before clearing advances. Accounts for removal expenses totalling \$180,841.44, incurred prior to March 31, 1947,



by this department's officials, had not been approved by Treasury Board as at the fiscal year-end, although outlays involved had been applied to liquidate accountable advances. Of the total, \$23,709.79 is related to 1944-45, \$62,729.37 to 1945-46 and \$94,402.28 to 1946-47. During the period April 1, 1947, to September 30, 1947, amounts totalling \$29,247.65 were approved by Treasury Board, leaving a balance unapproved of \$151,593.79 at that date.

I should like to explain to the members of the committee exactly what happens when a person is moved, say, from Ottawa to Prague. Expenditures for transportation are incurred by the department in Ottawa and are paid by the department. Instructions will be sent to London, to Paris, and to Prague to incur certain other expenditures in order to look after hotel reservations for the person on his way through. To meet the out-of-pocket disbursements en route, an advance will be given to the individual. After the trip is over the accounting section in Ottawa will have to gather together all items in the accounts from London, Paris and Prague or expenses in connection with that journey. They will have to get the statement of disbursements from the traveller, and if the trip had started, say from South America and the person was to report to Ottawa en route, there would be expenses from other missions as well. All these vouchers have to be gathered together and a submission prepared by the department. That submission goes to the treasury office who check it for mathematical accuracy, and under the procedure that was in effect at the time the accounts referred to arose, the submission goes to the treasury board for final approval. In the immediate post-war period the number of missions was expanding tremendously. As a result the number of removals was expanding tremendously. We were not able nor was our treasury office—to expand our accounting staff to keep up with the increase of work until the time when we began to get people as they were discharged from the army. As a result the preparation of these claims for submission to the treasury board did get into arrears. I want to point out, as I did before, that it was not a delay on the part of the travellers. At the end of the last fiscal year the number of claims that had not been processed and prepared in the department was 254. Those are the claims referred to in the Auditor General's report.

*By Mr. Fleming:*

Q. How many do you get in a year, so we can get the significance of that figure 254?—A. The number outstanding at the end of this year was 78.

Q. I mean the number you had in any twelve-month period?—A. That would be slightly more than one year's claims. The amount that we have outstanding now, 78, is really a minimum. Therefore, while the department had let an accumulation develop a year ago, at the moment we are completely up to date. I think there were something over 200 removal cases last year. The other comment of the Auditor General was as follows:

“A Treasury Board Minute of May 2, 1946, approved purchase of automobiles, household appliances, foodstuffs, etc., on behalf of heads of missions and staffs of Canadian officers abroad, chargeable to the appropriation of the office to which the individual was attached, and subject to recovery from the person concerned. Some advances have remained outstanding for considerable periods. At the fiscal year-end \$11,206.14 was outstanding.”

The reason why we had to make these purchases for people abroad was that in the early period after the war, as you all know, the question of supply was really a difficult one. For a good many of those items you had to obtain permits and authorities. Also, shipping was subject to permits and application had to be made for shipping. If the individual happened to be in Australia he could not arrange to have purchased and shipped to him various items from



Canada. We therefore took over the purchasing and shipping, paid for the items and then had to bill the individual. I am glad to say that we have now at least got out of that business. We advised all of our people last November that that was to end. The same situation of shortage of staff in our treasury and in our departmental accounts section did mean that we were probably, in some cases, rather slow in billing for these items, but I am glad to say that of the \$11,206 that was referred to in the Auditor General's report, there is now \$34.81 outstanding, and that is in three small items, There again we feel we are reasonable on top of the problem.

*By the Vice-Chairman:*

Q. Does that conclude all the observations of the Auditor General as it affects the department?—A. Yes.

*By Mr. Winkler:*

Q. What is the attitude of the department towards the furnishings and equipment for the various establishments? Are they bought on the spot?—A. Yes, there again we are trying to purchase our own. In the normal mission we provide only the furnishings and equipment for the office premises and for the residence of the chief of mission. The junior officers have to provide for their quarters out of their own salary and allowances. There are some places where we have to provide for all of the furnishings. For instance, in Moscow everybody lives in what you might call a compound, and we have to furnish both the main residence and the various subsidiary ones.

Mr. PINARD: Is that because they expect us to follow their policy over there of everybody being in the same room?

The VICE-CHAIRMAN: I take it that concludes your general observations with respect to the administration end of the Department of External Affairs. Now, before Mr. Matthews leaves this and before we commence discussing passport office and then representation abroad, perhaps members might like to ask him some other questions?

*By Mr. Fleming:*

Q. What is the position with regard to all these details that appear on the pages following page 1? Page 1 is really just a reproduction of page 9 of the estimates for the year. About these other items, will Mr. Matthews be supplying the answers to any questions we may have on them?—A. Pages 1, 2, and 3 are the particulars of the different votes. The members of the committee will see that in the middle of page 2 there is a break between the items asked for in the estimates for the year ending 1949, and the estimates included in the old year but not in the new. Those items not included in the new are, I think, without exception grants to international organizations. We cannot submit our estimates for our obligation to an organization of which we are a member, until we receive our assessment from that organization for the year.

*By Mr. Low:*

Q. Have you terminated their requests?—A. I think the only one that is not being repeated is the first one, the grant to the International Red Cross Committee. It is not a question of membership there. During the war when the International Red Cross were looking after all of our prisoners a grant was made to assist them. Last year they were still in the process of winding up certain of their wartime activities on our behalf so a reduced grant of \$20,000 was given, but as that work was completed, no grant is to be given this year. So far as I know the other contributions to organizations will be repeated.



Q. I was thinking about our approach to the succeeding pages. I presume we will want to go over these and perhaps ask questions about succeeding items. Is it your thought we should proceed with that now while we have Mr. Matthews here, or should that be left until we come to those items in turn?—A. I think, Mr. Chairman, if there are any questions if they could be asked now, I shall not guarantee to have all the facts available this evening, but it would at least give me a warning to get them for the next meeting of the committee.

*By Mr. Jaenicke:*

Q. Where do we find the contributions to IRO in the printed estimates?—A. In the printed estimates the contribution last year is at page 10 of the blue book. The appropriation is not repeated for 1948-1949. There is an item of \$5,507,000 under "demobilization and reconversion". The bulk of that was a grant to the IRO. Actually the assessment for IRO is not in yet, I think, so there is nothing included in the current year.

Q. What does that all consist of?—A. That is a straight contribution to the organization towards its budget, a contribution of the Canadian share.

Q. What is their budget, do you know? Have you got that?—A. I am afraid we will have to bring that figure to a subsequent meeting. I have not got it here.

Q. I assume it consists of transportation and things like that?—A. Mr. Pearson could describe better than I can the actual operations of IRO.

Q. I did not want that, I just wanted an idea.

Mr. FLEMING: Are you going to call this item by item?

The VICE-CHAIRMAN: I think we had better deal with this as a whole because it all deals with expenditures of the administration. Where there is a question of policy, we had better wait until we come to the individual item.

Mr. FLEMING: I was going to ask a question or two concerning the Imperial Economic Committee and the Imperial Shipping Committee which were discussed in the committee a year ago. One of the witnesses from the department told us at that time there were important conferences to be held last summer in London which might have a bearing on the future continuation of these two bodies. I wonder if we could have a brief report on what transpired in London last year and what is conceived to be the function in the future of these two bodies?

The VICE-CHAIRMAN: Mr. Fleming, that is No. 64 of the estimates of External Affairs and, perhaps, if we are going to deal at any length with the details of an item of that kind, we had better wait until we come to it, in the usual course. Mr. Matthews' idea in coming before us was to deal with the expenditures of the administration in a general way. If there are questions on that, I think they should be asked now. In so far as the individual items are concerned, where there are some details required, then perhaps the person involved in the department should give them.

Mr. PEARSON: It may be we can answer some of these questions as we go along from our general knowledge of these agencies, if you wish us to do so. When we can do that we would be glad to do it. Perhaps, however, you would prefer to wait until we discuss the policies of these various agencies.

The VICE-CHAIRMAN: I think we would make more time by dealing with them in an orderly way because we will have duplication when we come to the item again. I am trying to avoid that. I realize there is some possibility of duplication now by virtue of the fact the administration of the whole department is before the committee. However, I think we ought to make some division of the examination of each department so we can come to them one by one.



Are there any other questions on general administration which Mr. Matthews has presented to us?

*By Mr. Jackman:*

Q. Mr. Chairman, on departmental administration details the salaries for 1948-49 were \$287,000 and temporary assistance \$949,000. I wonder if Mr. Matthews would tell us just what the position is with regard to temporaries and permanents in the department?—A. Mr. MacDermot, the chief of the Personnel Division came here in anticipation of just such a question. May he answer that?

The VICE-CHAIRMAN: Mr. T. W. L. MacDermot, gentlemen.

Mr. MACDERMOT: On the question of permanency, Mr. Chairman, the general policy of the department is that as many as possible of the staff of the department should be made permanent as soon as possible. As you probably know, the conditions for permanency call for one year's satisfactory service in the department after qualification, at the end of which time recommendations are made by the department to the Civil Service Commission for permanency.

There are certain factors, however, which stand in the way of putting through a complete list of permanent recommendations for all members of the department. First of all, those who have overseas preference always have priority in the recommendations for permanency. In other words, from any given list of qualified staff those who have overseas preference must be made permanent before those who have not. Up to date, all those who are eligible and who have been approved by the department have been recommended for permanency.

There are a number outstanding now who are awaiting the results of qualifying examinations given by the Civil Service Commission within the last few months. When those results are announced and when those who are on these qualifying lists have completed their one year's service, if their service is satisfactory, their recommendations will go forward.

Mr. HACKETT: One of the ministers, in speaking of Crown companies a year or two ago, if my memory serves me well, that it was impossible to get what he considered competent assistants through the Civil Service, one reason being the ratings and the salaries. Apparently, your temporary assistants cost the department about three times as much as the salaried officials on the permanent staff. I ask, if difficulty in getting people through the commission at salaries available through that source explains, in any way, the great disparity between permanent officials and temporary officials?

Mr. MACDERMOT: There are only 203 permanent appointments in the department and 680 who are temporary. Therefore, there are over three times as many temporary as permanent members.

Mr. HACKETT: Perhaps I was looking at the salaries and the salaries are \$213,000 and the amount paid to temporary staff \$680,000?

Mr. MACDERMOT: Of course, all our staff, as you know, are drawn from the Civil Service Commission. None of them come in direct from the outside.

Mr. HACKETT: It may be I have put the question in an imperfect way. The statement shows that the employees of your department are divided into two categories, permanent employees and temporary employees. The permanent ones receive \$213,000, and the temporary ones receive \$680,000. Salaries paid are, to the extent of 75 per cent, paid to temporary officials, and I ask if you attribute the fact that so many of your employees are temporary to inadequate salaries available to permanent officials?

Mr. MACDERMOT: No, I do not think so because as soon as the qualifying requirements are met and, of course, if their work is satisfactory, all these temporaries will be recommended for permanency, but I do not think it is merely the prospect of being permanent that attracts recruits for the department.



Mr. MACINNIS: Mr. Chairman, I think perhaps there is a way of getting a proper explanation of permanents and temporaries. First may I ask is there any special ratio as between permanents and temporaries in your department? At all times must there be a certain percentage who are temporary?

Mr. MACDERMOT: Twenty per cent are retained as temporary.

Mr. HACKETT: I did not get the answer.

Mr. MACINNIS: Twenty per cent must be temporary.

Mr. HACKETT: Would you ask him the reason for that?

Mr. MACINNIS: I do not know; he can give that reason if he wants to but I want to pursue my question a little further. The Department of External Affairs has been growing very fast over the last few years, and you have been taking on a great many employees in all grades, I imagine?

Mr. MACDERMOT: Yes.

Mr. MACINNIS: Would you have with you the number of persons roughly in the different grades of the higher paid staff down to the lower paid staff who are on the temporary list?

Mr. MACDERMOT: Not on the temporary and permanent list; I can give you the numerical difference between the officer group and the clerical and administrative group.

Mr. MACINNIS: Can you give the number in the officer group and the number in the clerical group?

Mr. MACDERMOT: At May 15 of this year the total number of officers was 190. That includes heads of missions as well as all other officers, and the total number of non-officers was 865. That makes a total of 1,055.

Mr. MACINNIS: Suppose there was no added increase in the department during the next twelve months; the number of your temporaries would be greatly reduced from what it is now?

Mr. MACDERMOT: Yes, it would be.

Mr. MACINNIS: Then it results from two things, the 20 per cent that is provided for and the number that have not yet served their probation as it were, and have not been made permanent?

Mr. MACDERMOT: Yes.

Mr. FLEMING: I should like to ask Major MacDermot how many of the 203 now permanent were made permanent in the last twelve months since we were on this question a year ago? It strikes me there have not been very many who have been made permanent in the last twelve months.

Mr. MACINNIS: The permanents last year were 67, and at the time this was drawn up, 82. Some might have been added since.

Mr. FLEMING: On page 114 of the estimates there are some figures.

Mr. MACDERMOT: The number made permanent in the last year was 39.

Mr. FLEMING: There were 39 permanent a year ago and that has risen to 203 now?

Mr. MACDERMOT: Sixty-four have been made permanent since a year ago.

Mr. FLEMING: Since a year ago you have only added 39 more to the permanent staff. That strikes me as being a very slow rate of appointment to the permanent staff because I suppose after all the great majority of these people have been there twelve months since that figure was given a year ago.

Mr. MACDERMOT: As I say, first of all they had to qualify. There was an examination in 1946, a general qualifying examination out of which all those who had put in their year and were satisfactory were later recommended. Then at the beginning of this year another general examination was held all over the world for the department, and that was a much larger examination for



all ranks, and the results are not out yet. That will result in a very much larger recommendation. Another reason is owing to the expansion of the department a number of new people have been taken on in the last two years so that many have not completed their full year. Again in some cases the overseas preference operates against some of those who are otherwise ready for recommendation.

Mr. BAKER: The one year is not mandatory? That is the bare minimum? They cannot come in under one year, but a lot of them would go on for another year or so before you would be sure whether you wanted them?

Mr. MACDERMOT: I think if we were not sure at the end of the year it would not take very much longer to be quite sure.

Mr. FLEMING: As an objective are you seeking to have as many of the staff, within the limit of the Civil Service Commission of 80 per cent, on a permanent basis? Is that the objective you are working towards?

Mr. PEARSON: May I say that is the general policy of the department within the limit of the 20 per cent. We want to have as many people in our service on the permanent staff as possible, but we want to make sure before we put them on the permanent staff that they are qualified to be permanent because, as you know, once they are on the permanent staff it is very difficult to get rid of them, if you later want to. Even after the twelve month period has been passed there may be a few cases in which we are doubtful whether they should be permanent but the objective is to get the greatest number possible, under civil service regulations, of satisfactory personnel on the permanent staff of the department.

Mr. FLEMING: That applies to all grades?

Mr. PEARSON: All grades.

Mr. Low: A new written examination is required to prove their suitability after they have had a year's service?

Mr. MACDERMOT: There is no examination after they enter because they have already qualified by civil service examination.

Mr. Low: You spoke of an examination just a moment ago.

Mr. MACDERMOT: That is for qualifying.

Mr. Low: For qualifying?

Mr. MACDERMOT: Yes.

Mr. Low: How do you determine who are suitable for the work?

Mr. MACDERMOT: The Civil Service Commission sets examinations for all ranks of the department, and they mark and determine the results of those examinations.

Mr. Low: But those examinations cannot be given until a year has elapsed from the time they are appointed?

Mr. PEARSON: The Civil Service Commission sets the examination for entry into the department; then we keep them on probation for a year. At the end of the year we can find them completely unsatisfactory, and we can return them to the Civil Service Commission, or we can recommend them as suitably qualified for permanency, or we can hold them off another six months if we are uncertain as to whether they should be made permanent.

Mr. Low: Just six months?

Mr. PEARSON: We would not want to hold them off longer than that because if we cannot find out after a year or a year and six months we probably never would find out. There is one particular reason why employees have had to take qualifying examinations after entering the department. Owing to expansion and the war a great number of employees were taken into the department under what is called temporary certificate through the Civil Service Commission—that



is, without a permanent qualifying examination. Since the war, the Civil Service Commission has been administering examinations to qualify applicants for permanent appointment to the staff of the department; so that is why some of them take their examinations after being in the department some months.

Mr. JAENICKE: Temporary appointments also made through the Civil Service?

Mr. MACDERMOT: Yes.

Mr. JAENICKE: You say that you have no say in the setting of the examinations?

Mr. MACDERMOT: No, I did not say that.

Mr. HACKETT: They have a say in the appointments.

Mr. JAENICKE: I said, in the setting of the examinations.

Mr. MACDERMOT: They consult us on some of the examinations, but for the examinations for routine clerical and stenographic staff appointments we accept the regular standards.

Mr. PEARSON: There should possibly be a distinction made to establish the difference between examinations for administrative consular and foreign service appointments as distinguished from clerical and stenographic appointments. We have, I take it, nothing to do with the examinations of the latter kind. The examinations for foreign service officers and the consular officers are set by the Civil Service Commission in consultation with the senior officers of the department.

Mr. LOW: So there is no subsequent examination required after they become permanent employees. How do they qualify for advancement?

Mr. MACDERMOT: Reclassification may be made.

Mr. MACINNIS: May I ask one other question in regard to this, it may be a hypothetical question—it is with regard to temporaries. Supposing, for instance, expansion will not be so great during the next three years as it has been during the past three years and very few new people will be taken on; how long would those at the bottom of the 20 per cent temporary list have to stay before they would be made permanent, if your 20 per cent is going to be a permanent policy.

Mr. MACDERMOT: I think the turnover would take account of that. That is to say, we are a long way as yet from being settled and there is considerable turnover, especially in the clerical and stenographic grades.

Mr. KNOWLES: Who prescribes that 20 per cent quota?

Mr. MACDERMOT: The Treasury Board.

The VICE-CHAIRMAN: Have you any more questions of Mr. MacDermot? It is quite all right, but I would like if possible to get on to one or two other items. I do not want to hurry it.

Mr. FLEMING: I want to ask one question on this personnel matter. The department took on a temporary basis within a year or two after the war a considerable number of young men, mostly university graduates with war service and trained them for the most part. I would like to hear a statement as to the success which has attended these appointments. My impression is that they have been very successful and I would like to have a statement on that if we might have that.

Mr. PEARSON: If I might answer that question, I would like to say that the quality, the calibre, of the men that we have taken on since the war especially those with overseas service is I think astonishingly high. Some of the men who probably would have been doing graduate work in universities if it had not been



for the war, did not have the opportunity on that account. They came straight from the services to the department. They have proven to be good men, and we have found them to be very satisfactory. As a matter of fact, they are of a higher calibre than the men whom we took on 20 years ago. I might add that I came in 19 years ago.

Mr. JAQUES: Mr. Chairman, are we going to have an opportunity of going back to this section 52?

The VICE-CHAIRMAN: I was just explaining on this particular item that we are trying to get the general administration of the department taken care of at this meeting. That item No. 52, Mr. Jaques, was allowed to stand, and we were anxious to get on with 53 and 54, but we will come back to 52, later.

Mr. JAQUES: There will be a further opportunity to discuss that?

The VICE-CHAIRMAN: Yes, there will be plenty of opportunity. I can assure you of that.

Mr. JACKMAN: Is it fair to say that a department has no one in the temporary assistance bracket who has been with the department two or three years?

Mr. MACDERMOT: It would not be fair to say that because there may be some who have no war service and cannot be made permanent until servicemen eligible for permanency in that category have been considered.

Mr. JACKMAN: You mentioned 1 per cent having qualified particularly in the officer class by examination and that there will be no more examinations unless it might be in connection with reclassification. How many foreign service officers are there in each grade? By the way, what is the top grade?

Mr. MACDERMOT: Grade 7, that is the top grade.

Mr. JACKMAN: How many have tried examinations for let us say grade 6, grade 5 and grade 4; do they have to try examinations for each grade?

Mr. MACDERMOT: No, they can be promoted, but if they want to be moved from one grade to another without a normal promotion they take a qualifying examination for that.

Mr. JACKMAN: And reclassification would likely be because they wanted to get a better post than would ordinarily be open to them. Would it be your practice that the men in the department enter in the lower grades and if found satisfactory would gradually work up?

Mr. MACDERMOT: Quite so.

Mr. HACKETT: Reclassification would not necessarily entail appointment as such, it would mean that a man was suited for appointment if as and when he came along?

Mr. MACDERMOT: Yes.

Mr. JACKMAN: Mr. Hackett asked a question which was inspired by his member, Mr. Howe, who is in the House. I rather gather that back in his mind, he may correct me if I am wrong, was the thought that a great many of the staff would be temporary because they did not choose to be permanent; that is not the experience of the department, is it?

Mr. MACDERMOT: No.

Mr. JACKMAN: You have had no difficulty at all in getting suitable people for all the various grades where there was a vacancy through the ordinary Civil Service fashion?

Mr. MACDERMOT: I would not say that we have not lost a few good men because they were offered better salaried appointments elsewhere. But generally



we have very large application lists for examinations for foreign service officers grades 1 and 2. We have numerous candidates from every part of the country.

Mr. FLEMING: Have you many of the top grade foreign (women) service officers?

Mr. MACDERMOT: Yes.

Mr. FLEMING: Could you tell us where?

Mr. MACDERMOT: One is in Mexico, one in New Zealand, one in New York and the others are in Ottawa; some of the latter have served at conferences abroad.

The VICE-CHAIRMAN: Gentlemen, are there any other questions before we go on to 54? If not, then perhaps we could proceed to passport office administration. As you know, at the previous meeting Mr. Chance, of the department, was here and did answer quite a number of questions, and it is apprehended that there might not be very much more to be done; but if there are questions to be asked in respect to that that have not already been covered Mr. Pearson is here and he will be glad to give you any information that may be required by the committee. Vote No. 53, passport office administration.

Mr. JACKMAN: I was not here when the officers of the department were before the committee, but did the department act on the recommendation of this committee of a previous year in having the passports made for five years instead of two years?

Mr. PEARSON: Yes, the Five Year Passport has been in use since 1st January, 1947.

Mr. FLEMING: Another recommendation was that passport application forms be made widely available. Has that recommendation been acted on? I had a complaint not long ago from someone who had been trying desperately to get a passport application form in Toronto and he tried in the post office and was unable to get one.

Mr. HACKETT: Was not that because of the change in the form of the application form?

Mr. PEARSON: I think there are supposed to be passport application forms in all post offices in the country. I speak subject to correction, but I think that is the regulation.

Mr. FLEMING: That was the point around which the discussion revolved a year ago, and the forms were not being made available then; and I think it was suggested that they should be made available.

The WITNESS: I know there has been a change in the distribution. There may be a breakdown in a particular post office at a particular time, but the forms are widely distributed throughout the country.

Mr. PINARD: In the cities?

The WITNESS: And in a good many of the small places, too.

Mr. Low: Was the fact that you implemented the committee's recommendation to extend the passport term to five years the reason for increasing the price to \$5?

Mr. PEARSON: Yes, the amount now paid for the 5-year passport and its renewal is proportionately the same as the sum charged previously for the two-year passport and subsequent renewals.

The VICE-CHAIRMAN: Gentlemen, are there any other questions with regard to the passport office that have not already been asked at a previous sitting? If not, may we proceed? I am sorry, Mr. Jaques—

Mr. JAQUES: Could the witness tell us how many kinds of passports there are?



Mr. PEARSON: There are three kinds of passports. The normal passport for a Canadian citizen, the diplomatic passport for diplomatic officials travelling abroad and delegates to diplomatic conferences; and there are official passports for government officials who may be travelling abroad on official business but not necessarily as members of embassies or going to attend diplomatic conferences. In addition to the three types of passports there are certificates of identity which are issued to certain people in this country who have no other means of national identification.

Mr. HACKETT: Is that because they are not nationals?

Mr. PEARSON: Because they are non-nationals. They have lost their nationality in Europe and they do not have nationality here, and the government facilitates their movement by certificates of identity.

Mr. JAUQUES: Do members of parliament travel on official passports?

Mr. PEARSON: It may be that certain members of parliament have been appointed to delegations to international conferences and travel on special passports for that purpose; but if they are not traveling on official business I think they travel on the ordinary passport.

Mr. KNOWLES: I think we were told last year that members of parliament, regarded as government officials, would be granted official passports if they asked for them.

Mr. PEARSON: I am sorry, Mr. Chairman, but there are regulations as to who are entitled to these official passports but I have not these regulations before me now. However, it would be quite simple to get the different categories that are covered by the regulations.

The VICE-CHAIRMAN: I think Mr. Jaques has another question.

Mr. JAUQUES: It seems wrong to me that members of parliament are not accorded a little more prestige. I am just wondering whether members of parliament should not rate something a little more than the common garden variety of passport.

Mr. PEARSON: Possibly I may be wrong. Maybe they are entitled to official passports. I am not certain about that. I had better look into that.

The VICE-CHAIRMAN: Are there any other questions?

Mr. JACKMAN: I think the American government has some form of visa for their Congressmen who are entering another country. I had an experience a few years ago of being finger-printed in five or six different places by an American passport official at a certain location, then when they were getting more information they discovered I had the honour to represent the Rosedale riding, and they said if I had told them that they would have given me a special form.

Mr. MARQUIS: It was on account of the Rosedale riding.

Mr. JACKMAN: Yes. I want to know if we have any special courtesy provision such as that. I know that we are not as fussy as the Americans are about getting into foreign countries, but do we extend any special courtesy to other officials coming here?

Mr. PEARSON: If we hear of an official of another government coming to Canada, if that official applies to our embassy in their country for some form of courtesy recognition to come to Canada, we give them a courtesy visa at the embassy. When I served abroad—I am not sure whether they do it now—we used to give them a sort of red seal letter at the embassy to present to the customs and immigration officials at the border.

Mr. JAUQUES: I remember that when I came back from England in 1944 I had to go through the American consulate. Now, I do not know what effect



being a member of the House of Commons had, but my fingerprints covered at least six sheets of foolscap and I was under the impression that there were some extra sheets there just because I happened to be a member of parliament.

The VICE-CHAIRMAN: Might I ask Mr. Pearson or Mr. Matthews whether the passport office is up to date in its work now. At one stage it was behind. What is the service now given after a passport application reaches your office?

Mr. PEARSON: Mr. Chairman, whereas under the former procedure the customary delay in the issuance of a passport ran from eight days to two weeks, in the re-organization of the passport office, which was made last year, it has been possible to arrange business so that in all ordinary cases passports are issued within twelve hours of the receipt of correctly filled applications. Last year there were 57,000 passports issued and 12,000 renewed, so that the demand is still heavy.

Mr. JACKMAN: While it is not the duty of the opposition to inquire into the inadequacy of salaries, I notice the chief passport officer is down for \$4,770. Does not the importance of that department and the amount of discretion involved warrant a larger remuneration?

Mr. PEARSON: Mr. Chairman, salaries in the passport office years ago were even lower than that. We thought they were shockingly low. The senior man was earning approximately \$3,000. That \$4,770 does not seem much, but it is a good salary compared to a man who held that job before. However, it should be remembered that the passport office now comes under the chief of the consular division, and the chief of the consular division has the general responsibility for the passport office and the supervision of the work, and he is in a higher bracket than that.

The VICE-CHAIRMAN: Is there any other question now before we pass on to representation abroad?

Mr. FLEMING: This question about the kind of passport which was issued to—well, no, I will leave that.

The VICE-CHAIRMAN: All right, gentlemen, if there are no more questions in connection with the passport office, perhaps we may start, at least, into No. 54, which is representation abroad.

Mr. JAQUES: Just one more question.

The VICE-CHAIRMAN: Yes.

Mr. JAQUES: It seems to me, just referring back to this finger-printing, it is an indignity. I should think members of parliament should be exempt from it. If we are fit to represent this country, there is no need to be finger-printed.

Mr. MARQUIS: I have no objection at all.

Mr. JAQUES: I am making an objection.

Mr. PEARSON: The procedure regarding finger-printing is not a procedure under the control of the Canadian government. The United States authorities apparently insist upon it in respect of people coming to Canada through their country. If you left England and came to Canada direct, no question of finger-printing would arise.

Mr. HACKETT: During the war, they even did it for a border crossing.

Mr. JAQUES: Do you not think if you were to make representations, exceptions would be made in the case of members of parliament?

Mr. PEARSON: We have made representations of that kind. When I was in Washington, the treatment which was given to some of our legislators arriving in the United States from Europe and from other places was such as to cause considerable complaint and just complaint. We have taken it up more than once with the State Department during my period down there. I recall we always received the assurance if we could let them know in advance a certain



member of parliament was entering the United States, he would be treated with all courtesy. Sometimes when members go to a consular office the junior official may not appreciate that particular Canadian is a member of parliament.

Mr. JAQUES: I doubt if they know what that is.

The VICE-CHAIRMAN: Does that conclude your questioning?

Mr. FLEMING: The issuing of visas is all done through consuls and does not come under the work of the passport office?

Mr. PEARSON: No.

Mr. FLEMING: There is no portion of the appropriation of the passport office which goes to consular offices covering the issue of visas?

Mr. PEARSON: No, no proportion of that vote covers the issue of visas by consular offices.

Mr. FLEMING: I was wondering about that. Some members wondered why I started to ask a question and then stopped, and that was the reason. I was thinking about the type of visa which was issued to a particular labour organizer who was expelled from the country recently because it was thought he was engaged in subversive activities.

Mr. PEARSON: Of course, an American coming up here does not require a visa.

Mr. FLEMING: I suppose it depends on the length of time for which he is coming here?

Mr. PEARSON: Quite, but if he came up here and told the immigration officer he was up here for a few days on business, there would be no question but that he would be allowed in. There would be no control over that kind of entry except the discretion of the immigration officer at the border.

Mr. FLEMING: Do you happen to know whether that gentleman who was expelled came in on that basis or whether he had a visa?

Mr. PEARSON: I understand he came in only for a few days as a visitor. I understand that to be the case.

The VICE-CHAIRMAN: Does that answer your question, Mr. Fleming?

Mr. FLEMING: Yes, in that case. There is another case which is before a board at the present time. I shall not ask a question about that until it is disposed of.

The VICE-CHAIRMAN: Perhaps we might go on to section 54, representation abroad. Mr. Matthews is here and Mr. Pearson. Perhaps you wish to ask some questions in connection with that clause. Do you desire to make any statement preliminary to it, Mr. Matthews?

The WITNESS: I think any introductory statement would be included in what I said before.

The VICE-CHAIRMAN: We are open for questions with respect to No. 54.

*By Mr. Jackman:*

Q. Is there a necessary increase in expenditure when a ministry is raised to an embassy?—A. No, no difference whatsoever.

*By Mr. Hackett:*

Q. I notice in some of our foreign offices we have military officers of very high rank, and in others they are of lesser rank. Is there any departmental regulation which determines what rank shall be held by the military officer in an embassy, for instance?—A. No; as far as an embassy is concerned he is a



military attache. What officer may be selected and what rank he may hold is a matter for the Department of National Defence, and as far as his appointment it is in consultation with the Secretary of State for External Affairs.

Mr. JACKMAN: Is he paid according to his military rank or according to the post he occupies in the department?

Mr. PEARSON: He is paid according to his military rank, and his allowances are made equivalent to those of a foreign service officer of similar rank, and normally I believe the rank is that of a first secretary in an embassy or legation. In one or two of our more important posts—I am thinking particularly of Washington and London—where the defence work is more important than it would be in certain other posts more senior officers are occasionally sent. That is the situation in Washington now.

Mr. WINKLER: Does the military attache actually work for the Department of External Affairs or is he—

Mr. PEARSON: The military attache has a dual responsibility: to the head of the diplomatic mission and to the Department of National Defence. He is under the general superintendence and guidance of the head of the diplomatic mission of the country where he is serving, and is responsible for keeping the head of the mission informed of all policy matters that he may be dealing with in connection with his work as military attache. All reports of general interest to the Canadian government are sent by the head of the mission to the Department of External Affairs. Copies are sent direct to the Department of National Defence. Other reports of less general interest are sent direct to the Department of National Defence.

*By Mr. Jackman:*

Q. Then the military attache is paid by the Department of National Defence and as to his allowances he draws them from the Department of External Affairs?—A. They are paid by the Department of National Defence.

Q. He is no financial burden to you whatsoever?—A. No.

Q. And it is not exactly your concern whether he is a major general or whether he is a major. It does not cost you any more?

Mr. PEARSON: No, except we try—and this is in agreement with the Department of National Defence—to maintain a general equivalence between the rank of military attache and a first secretary in an embassy. That is the normal relationship.

Mr. JACKMAN: First secretaries draw how much now abroad?

Mr. PEARSON: \$4,500 to \$5,400.

Mr. JACKMAN: Some of the military attaches must be getting a good deal more than that with their allowances?

The WITNESS: That is without allowances; that is the basic pay for a foreign service officer, grade 4, which is normally the rank of a first secretary.

Mr. HACKETT: You have stated what control the Department of External Affairs has over the appointment of a military attaché, if any, but I did not grasp your statement.

Mr. PEARSON: Well, Mr. Chairman, it is done this way. If the defence service feel that it would be desirable from their point of view to have a service attaché at a diplomatic mission they approach the Department of External Affairs to get our general views on the desirability or otherwise. We normally say, if they wish to send a service attaché, that is all right with us. We do not pay his salary or his allowances. There have been one or two occasions where we thought on certain other grounds it was undesirable to have a service officer at



a diplomatic post, but normally we do not object. The final appointment is made by the Department of External Affairs after agreement in the appointment has been reached with the Department of National Defence.

Mr. HACKETT: And might an officer be retired on the suggestion of the head of the mission?

Mr. PEARSON: Yes, he might, if he conducted himself with impropriety. In the office abroad the head of the mission would have the right to report that to the Minister of National Defence through the Secretary of State for External Affairs and ask for his recall.

Mr. HACKETT: And, take the most important office we have; I do not know where it would be located; is there any tacit understanding that a military attaché should be a ranking officer?

Mr. PEARSON: Well, the understanding, Mr. Hackett, is that he should be senior enough to do his work, but we do not attempt to determine his seniority. Generally the understanding is that in a normal office he would have the rank of Colonel; that is a rank roughly equivalent to first secretary; and, similar rank in the case of an air or naval attaché. The exceptions are London and Washington; in those two capitals we have officers with the rank of brigadier, or the equivalent rank in the other services. In London two of the officers have the ranks of air vice-marshal and commodore.

Mr. HACKETT: Could a man of lesser rank with propriety carry on negotiations with people of senior rank in the country to which he was allocated?

Mr. PEARSON: No. I would think it would be very difficult for a military attaché.

Mr. HACKETT: For a captain, for instance, to carry on with a general?

Mr. PEARSON: To do the job effectively he should have the rank generally of a colonel or higher.

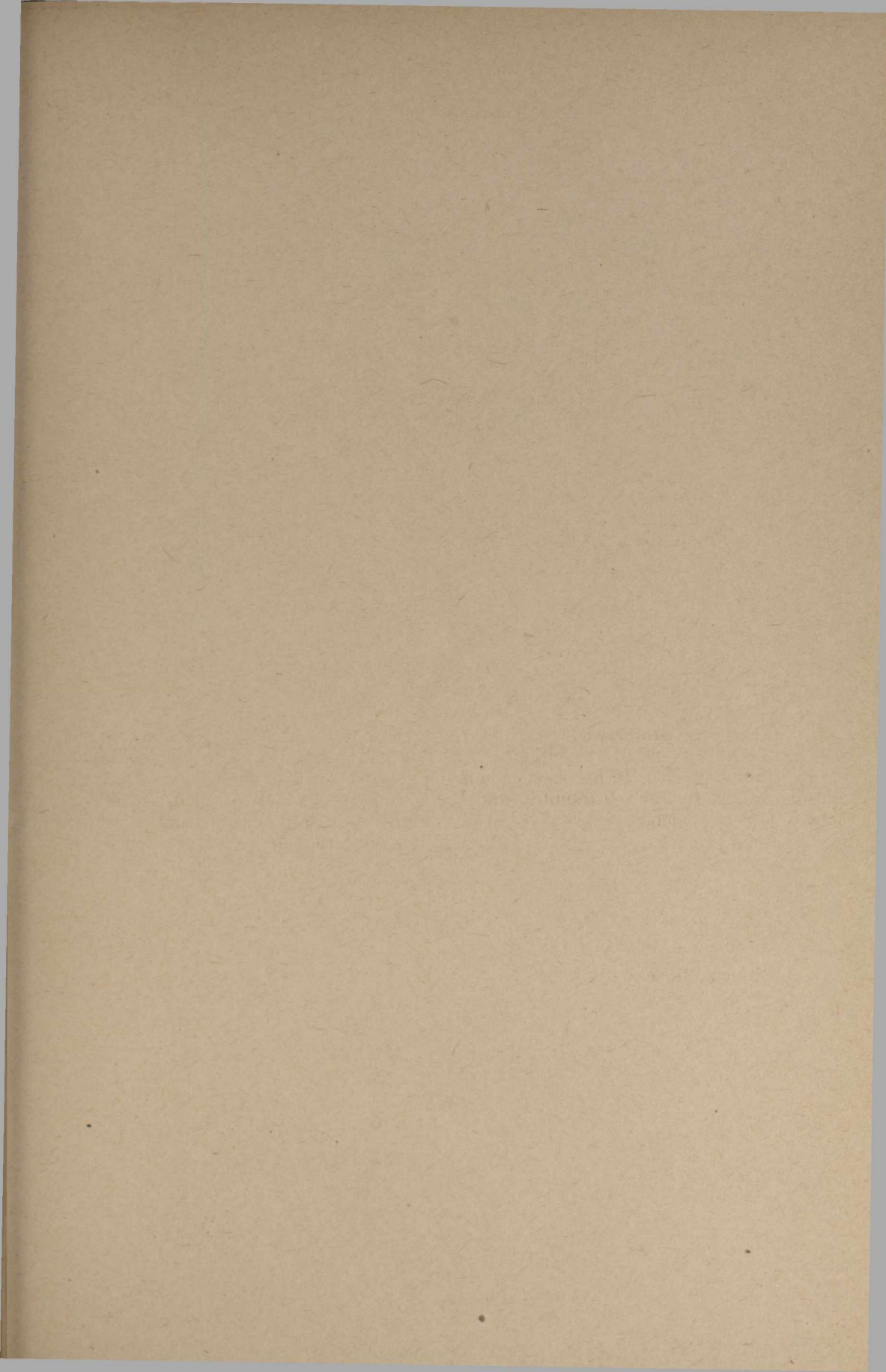
The VICE-CHAIRMAN: Gentlemen, it is now half past ten. I think most of the members would like to adjourn. I have a motion from Mr. Gauthier, seconded by Mr. Marquis. It has been communicated to me through various channels for the last five or ten minutes, and I fancy we would like to adjourn. Before we do, the evidence to be taken up on Monday will be a continuation of representation abroad and the various items succeeding that as we come to them on the estimates. What time would you like to meet on Monday; 8.30? Or do you desire to meet in the afternoon or the morning?

Mr. MARQUIS: Better make it 8.30, Mr. Chairman.

The VICE-CHAIRMAN: Very well, in the evening.

The committee adjourned.



















SESSION 1947-1948

HOUSE OF COMMONS

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STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

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MONDAY, MAY 31, 1948

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## WITNESSES:

Mr. W. D. Matthews, Assistant Under Secretary of State for External Affairs (Administration);

Mr. R. G. Riddell, Chief of the United Nations Division;

Miss H. D. Burwash, Economic Division.

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1948







## MINUTES OF PROCEEDINGS

MONDAY, May 31, 1948.

The Standing Committee on External Affairs met at 8.30 o'clock this evening. The Vice-Chairman, Mr. Graydon, presided.

*Members present:* Messrs. Baker, Beaudoin, Croll, Dickey, Fleming, Gauthier (*Portneuf*), Graydon, Harris (*Grey-Bruce*), Knowles, Leger, Pinard, Raymond (*Beauharnois-Laprairie*), Winkler.

*In attendance:* Messrs. W. D. Matthews, Escott Reid, R. G. Riddell, S. D. Hemsley and Miss H. D. Burwash.

The Committee resumed its consideration of the estimates referred.  
Item 54—Representation Abroad.

Mr. W. D. Matthews was recalled and further examined.

At the request of Mr. Fleming, the witness filed a table showing living and representation allowances for foreign service officers abroad. He was granted permission to amend same.

On motion of Mr. Fleming,

*Ordered.*—That this table, as amended, be printed. (*See Appendix "A" to this day's evidence*).

The following items were considered:

55. To provide for hospitality in connection with visitors from abroad.
56. Amount required to meet loss on exchange.
57. Grant to United Nations Society in Canada.
58. Expenses of the Canadian Delegation to the International Civil Aviation Organization, including salaries of the Canadian Delegate and Staff, notwithstanding anything to the contrary in the Civil Service Act or any of its amendments.
59. Canadian Section of Canada-U.S. Permanent Joint Board on Defence.
60. To provide for relief of distressed Canadian citizens aboard.
61. Canadian Representation at International Conferences.
62. United Nations.
63. Imperial Economic Committee.
64. Imperial Shipping Committee.

Items 53, 55, 56, 59, 60, 63 and 64 were carried.

Miss Burwash was called and questioned on items 63 and 64, being respectively,—Imperial Economic Committee, and Imperial Shipping Committee now known as Commonwealth Economic Committee and Commonwealth Shipping Committee.

Referring to item 61. Mr. Matthews was asked to furnish later a detailed breakdown of expenditures for 1947-48 and for the contemplated International Conferences in 1948-49.



It was suggested that the Committee hear, at an appropriate date, General A. G. L. MacNaughton on Atomic Energy, and on item 59—U.S. Permanent Joint Board on Defence.

Item 62—United Nations. This item was allowed to stand until the U.N. Report to Parliament is available.

Messrs. Matthews and Riddell nevertheless made statements regarding Canada's financial assessment.

In answer to the Vice-Chairman, Mr. Riddell made a brief statement respecting entertainment by delegations to United Nations.

Mr. Winkler presided momentarily in the absence of the Vice-Chairman.

Items 52, 54, 57, 58, 61 and 62 were allowed to stand.

At 10.30 o'clock p.m., the Committee adjourned to the call of the Chair.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*



## MINUTES OF EVIDENCE

HOUSE OF COMMONS,  
May 31, 1948.

The Standing Committee on External Affairs met this day at 8.30 p.m. The Vice-Chairman, Mr. Gordon Graydon, presided.

The VICE-CHAIRMAN: Gentlemen, we are going to proceed on item No. 54, upon which we were working when the committee rose on Wednesday night—representations abroad. Mr. Matthews is here as well as Mr. Escott Reid, and from now on perhaps you will want to ask such questions as may be necessary, and I will now declare the committee open for business.

Mr. FLEMING: Mr. Chairman, on the second last page of the material which Mr. Matthews furnished the committee at the last meeting we have now a legation at Italy. I believe it is the only one of the former enemy countries with which we have established any kind of diplomatic relations although parliament has also ratified treaties of peace with Hungary, Roumania, Finland and I believe Bulgaria; I wonder if Mr. Matthews could tell us what the situation is with respect to the other countries.

The VICE-CHAIRMAN: We have not signed any treaty of peace with Bulgaria because we were never at war with Bulgaria; Italy, Hungary, Finland and Roumania, yes.

Mr. FLEMING: However, perhaps Mr. Matthews could indicate to us the extent of the developments of the establishment which was set up in Italy and also indicate to us in what manner of diplomatic relations are now being handled with those enemy countries with which we have now signed treaties of peace which have been ratified by parliament.

### **Mr. W. D. Matthews, Assistant Under-Secretary of State for External Affairs, recalled:**

The WITNESS: In Italy at the moment there is Mr. Desy and a third secretary; and in addition to that there are representatives of the immigration branch in Italy; but the whole diplomatic staff consists of Mr. Desy and one third secretary. The diplomatic relations of the other countries with which we have signed peace treaties are still carried on through the British Missions in those countries and we have no Canadian diplomatic missions in those countries.

*By Mr. Fleming:*

Q. Had we any separate Canadian diplomatic missions in those countries before the war?—A. No.

Q. So there is no change in the position?—A. No change in the position at all.

Q. In the case of Italy there are some capital expenditures here as well as a considerable increase in operating expenditure.—A. The operating expenditures last year were very small because it was only at the end of the year the mission was opened. The capital expenditures that we anticipate consist principally of the purchase of a certain amount of furnishings for the mission, providing capital equipment such as office furnishings, as well as residence furnishings, and such items as typewriters, etc. I can give you the list.



Q. I do not need the detail of it unless there are some major items. It was going to ask if Canada owned the building before the war?—A. No, we had nothing there at all before the war and we just have a leased building now.

Q. And that is the item for \$104,107?—A. Yes.

Q. Are there any major items in the figure of \$18,600 capital expenditure?—A. The major item is the provision for furnishings for the residence. At the moment we have leased furniture in the residence and we anticipate that at least a fairly substantial proportion of that will have to be replaced because what we have on lease is not of a type which is very desirable.

Q. Is the residence and the office in the same building?—A. No, they are not in the same building. So far we have not been able to obtain a building that is in any way desirable for either purpose, and we have not been able to get anything in a central location which would house both.

Q. Is it anticipated that the present small staff will be adequate to handle all the diplomatic business?—A. I would expect that probably the staff will increase in Italy. It is one of the important centres in Europe and an ambassador and one secretary could not very well handle the work of a really important mission.

Q. Is Mr. Desy the ambassador?—A. No, I am sorry; he is the minister.

*By Mr. Baker:*

Q. Regarding the council generalship in Boston, has that been opened yet, or what is the situation there?—A. It is expected that that office will be open the 1st of October.

Q. It is a very important office, I know that; we want it there badly, I mean we in Nova Scotia.—A. Yes.

Q. I was just interested in getting some information about it.—A. The 1st of October is a tentative date for opening that.

Mr. BAKER: Thanks.

*By Mr. Winkler:*

Q. Is one in contemplation for Minneapolis-St. Paul?—A. Nothing has been planned for there yet.

Q. There is an American consulate in Winnipeg.—A. Yes.

*By Mr. Fleming:*

Q. On the first of these last three pages under the commonwealth high commissioner's offices you show India but not Pakistan. Now, as I understand it, the one mission is covering both at the present time, isn't it?—A. No. The high commissioner at New Delhi now covers India. At the moment there is a trade commissioner in Pakistan who looks after any external affairs work that we may require him to look after, but there is not what you would call any diplomatic mission in connection with it. There is no mission there.

Q. Can that condition go on very long with the high commissioner appointed to India by the Dominion of Canada and none to the Dominion of Pakistan?—A. I should think eventually there is bound to be a high commissioner's office there. Nothing has been done on that as yet.

Mr. WINKLER: Would not trade be a factor there?

The WITNESS: I should think so, trade with India. I have no knowledge of the matter but I should expect it would be a good deal larger.

*By Mr. Fleming:*

Q. There is the question of commonwealth relations involved there. I do not see how when we have high commissioners to every other one of these self-governing nations of the commonwealth we could make an exception very long



in the case of Pakistan.—A. I understand that there have been conversations, but I do not think any decision has been taken by the government yet in the matter.

Q. What is the extent of Pakistan's representation in Canada?—A. I do not think they have any representation at the moment. They certainly have no high commissioner. I do not know for certain whether they have any trade representative or not.

*By the Vice-Chairman:*

Q. May I ask you what is the position of the former high commissioner of the United Kingdom to Canada, the Right Honourable Malcolm MacDonald, he has a position in the far east with respect to the Malay States I think.—A. Yes.

Q. Just what position does he hold and what are the developments there in connection with the possible formation of another unit of the commonwealth. That is a thing which has been asked me on several occasions and I have not been able to answer it and I thought possibly one of the officers of the department might do so.—A. I am afraid I am not in a position to answer that, Mr. Chairman; and I do not know if any of the officers we have here at the moment are experts in the constitutional developments in that particular corner of Asia. That would be a thing which it would be rather hard for anyone from the department to answer, I should think. It is a matter of politics in the United Kingdom rather than in this country.

Q. It struck me from what I had read this was preliminary to the formation of another unit of the British Commonwealth, and that he was there for the purpose of ushering in that new development. I thought because of that Canada might have some interest because of the fact we were also in the commonwealth of nations.

Mr. REID: I am afraid I have not any very precise information about that. I think it is in contemplation that ultimately Malaya will become a self governing part of the commonwealth, but I cannot recall what sort of timetable has been set, if any, for the evolution of Malaya into commonwealth status.

The VICE-CHAIRMAN: Are there any other questions? Shall we pass on to No. 55?

*By Mr. Fleming:*

Q. I notice in the case of Australia and South Africa there are substantial increases, I think about 45 per cent each in operating expenditure. What is the reason for that?—A. The main reason for the increase in Australia over last year is that for quite a time at the beginning of last year we had no high commissioner there. That naturally reduced the expenditure substantially because you do not have the salary and allowance of your chief of mission which are substantial expenditures, and the general activity of your mission is at a slower pace. There is not so much travelling. There is not so much general activity. So that it is natural the expenditure during the past year was considerably below what we anticipate for the coming year. If you look at the estimates for 1947-48 when we had to provide for the full year, the actual amount we provided at that time was greater than what we are providing for the coming year, and I think the bulk of the change will be that this year we will have a high commissioner present in Canberra, the full year, while Mr. Green did not arrive until well into the past year.

In South Africa the main change is caused by the effect of an increase in rentals. There is going to be a very substantial increase in the rental of our office premises. We have an office in Pretoria, and we share with trade and commerce an office in Capetown. Those rentals are going to be very substantially



increased. We are also in the unfortunate position of never being sure what our rental is going to be for our high commissioner. He spends part of the year in Pretoria and part of the year in Capetown and we have to allow a large margin for the possible rental he will have to pay for this short term lease. Last year he was lucky enough to get quarters which, while not satisfactory, were cheap. This year he may not be so lucky.

*By the Vice-Chairman:*

Q. Is there any rent control down there?—A. As far as I can see from the correspondence we have been having lately there is not any effective rent control. Whether or not there is rent control I do not know.

*By Mr. Gauthier:*

Q. We have an ambassador in Turkey?—A. Yes.

Q. When was he appointed?—A. He arrived there late last fall.

Q. What is his name?—A. General Odlum.

*By Mr. Fleming:*

Q. I suppose the large increase in the appropriation for Turkey is accounted for by the fact he was there only a portion of the previous year?—A. Yes.

*By Mr. Winkler:*

Q. Has the legation in Czechoslovakia been closed?—A. No, it is still open.

*By Mr. Fleming:*

Q. There has been no change at all in Czechoslovakia?—A. No change at all. It was opened fairly early last year and it is still on the same basis as it was then.

Q. There is quite a substantial increase in operating expenditure in China, with something of a decrease in capital expenditure? Is that an exchange problem or an increase in staff?—A. No, the staff is very much the same in China. It is always impossible for us to forecast with any accuracy what it is going to cost. Your prices may double over night; your exchange rates may double over night, too, so that we have to allow for a fairly substantial leeway there because you cannot forecast with any assurance whatsoever. That is the reason why the estimate for operating expenditure has to have a substantial leeway over your actual past experience. In so far as capital expenditures are concerned this was the figure we were contemplating when we prepared our estimates last November. Actually on the list that I have with me now of what we contemplate doing as we see it at the moment, that figure of capital expenditure is down by about \$60,000, because we had hoped to be able to do some more building there this year. Our space that we have, both for the residence and for the offices for the general staff is not large enough when you take into consideration the climatic conditions under which they are working, and we hoped to be able to provide them with better quarters. When we obtained, shortly after preparing these estimates, some detailed figures as to what the cost would come to we found the building we had provided \$60,000 for was going to cost around \$140,000, so we decided to postpone that building. Actually our figure for capital expenditure in China, as we see it at the moment, is down to approximately \$60,000 as opposed to \$117,000.

Q. Is that to say you are only asking for \$60,000 now?—A. No, because in other places you will find in the same way what we had anticipated has gone up. If we trimmed everything down according to our revised pattern as we see it now six months after we have prepared the estimates we would have to revise all the others upwards where the movement has been in the opposite direction.



Q. In this particular case you are asking for \$117,000, you anticipate a need of \$60,000, and the other \$57,000 is available to apply to other items?—

A. Yes.

Q. Where you may otherwise encounter an overdraft during the year?—

A. Yes. You see these are allotments within the same vote, so that by treasury board ruling we can transfer from one allotment to another within the same vote.

Q. The committee was much interested a year ago in this matter of the houses for the Canadian embassy in Nanking. I believe it was you who testified about the three houses that were constructed in Canada and shipped in demounted form for assembly over there. I think we were rather disturbed at the time about the cost of those houses. Would you tell us something about the total cost of those houses, the complete cost including assembly, and then would you give us a little more information about further accommodation? You spoke about the need for providing further accommodation. Just tell us a little more in detail what that means in terms of construction?—A. What we have in China now is the compound where we bought, ten or eleven acres. On that property we have erected the three pre-fabricated houses which were sent out there a little over a year ago. One unit provides for the office premises for the whole mission, including the military attache. In that house there are also living quarters for two Canadian male clerks. One house provides living quarters for the first secretary. The other house is a double house, and that provides living quarters for the third secretary and his family, and in the other half are the Canadian female staff.

In addition to those three pre-fabricated houses we have built out of local materials a garage, a storage building, because we have to send many supplies ahead of time out to China, and servants quarters. You have to build quarters for your Chinese servants. That is the completed building plan.

In addition to that we had to put in some water tanks because the water pressure and the water supply are not reliable in Nanking. In fact, last fall we arranged for the Department of National Defence to lend us the services of Brigadier Walsh, who is one of their senior engineering officers. He went out to review what had been done and to recommend what should be done. The items on which he particularly urged us to go ahead and which will be the major items this year were to dig an artesian well, increasing our water supply, and to install a pumping unit and to make provision for a Diesel power unit. Brigadier Walsh pointed out that not only were the services inadequate the way they were but it increased the fire hazard tremendously to be without the proper water supply and the pumping that goes with it. This year's additions will be in regard to those utilities chiefly, plus a slight increase in storage quarters and servants' quarters. We do feel even now that the building program is not adequate in the long-term view. As I said before we hoped to be able to put up an additional building this year which would house the chancellery plus quarters for the male staff, both officer and clerical. That would enable us to allot larger quarters to the Canadian female stenographic staff and also to the third secretary. At the moment by Canadian standards the facilities might look suitable but anyone who knows China will point out that you have the temperature for months of the year standing at 100 and the humidity is in the high 80's and 90's so that we need an airy and roomy space. I hope that some day we will be able to proceed with that additional building. We are still renting a building for the ambassador and I would hope that some day on our same compound we will build a building for the ambassador. I think if those two buildings were completed we would be very adequately housed there.

Q. You have not given us the cost?—A. I have the figures here and these are the expenditures since we moved to Nanking, the aggregate to the end of last year. The total cost of constructing the prefabricated houses—



Q. The three buildings?—A. Yes, plus the freight to get those prefabricated houses to China, plus the cost of the local buildings, that is the garage, the storage quarters and the servants' quarters, comes to a total of \$123,688. The total cost of our land including drains, roads, and landscaping is \$69,300.

Q. Those are Canadian dollars?—A. Those are Canadian dollars, yes.

Q. Not the good old Chinese dollars?—A. No, the figure would represent hundreds of billions of Chinese dollars. The total cost of our buildings and land at the end of the last fiscal year stood at \$192,996. Including expenditures on utilities, power plant, the deep well and the pumping equipment which we expect to have by the end of this year the total will then be \$230,000. Just a few days ago I received a letter from the ambassador, Mr. Davis, in which he pointed out that our savings in rentals are about \$23,000 per year as compared with what we would be paying for similar quarters outside. He also gives a rather interesting statement as to the suitability of the place, the general appearance, and also he mentions the fact that land values around there had increased so much that he thinks if we sold the lands now we could get our investment back and wipe off the cost of building. I thought the committee might be interested in this subject so I brought along a couple of photographs showing a corner of the compound and the prefabricated houses, which, if it is wished, I can pass around as the members may be interested in them.

Q. Yes, I think that would be interesting. Those costs are bound to strike anyone as being very very high, however. We do not get any benefit of exchange on those figures? Those buildings are all Canadian construction including the buildings themselves, the houses, and the utilities?—A. The prefabricated houses were bought in Canada for just under \$44,000.

Q. The three of them?—A. The three of them. It cost us about \$20,000 to ship them over to Nanking. The construction of the foundations, the costs of local labour erecting them was another \$40,000 to \$45,000.

*By Mr. Baker:*

Q. You are saving approximately 10 per cent annually on the total investment?—A. Yes, that is looking at rent alone but if you had premises spread all around Nanking your cost of operation would be a good deal higher.

Q. You do not have to pay any taxes?—A. No.

Q. In about 15 years time it will have paid for itself?—A. I am sure it will pay for itself in less time than that. When I say that I am including the additional expenditures which we contemplate incurring this year and which will have raised the total to \$230,000, when compared with the rentals which we are saving.

Q. It sounds like a good proposition?—A. I am sure that from a dollar and cents point of view it is good business.

Mr. DICKEY: It is also a good thing for prestige purposes.

*By Mr. Fleming:*

Q. On the other hand, that \$40,000 seems to be a fabulous price for the erection of those prefabricated buildings?—A. No, that includes the major expenses of the subsidiary buildings. It includes your materials, plus your work on the garage, the storehouse, the servant's quarters and a certain amount of fencing and items of that kind.

Q. The estimates for China are exceeded only by those incurred by our representation in the United States, the United Kingdom, and they are a trifle smaller than our expenditures in France. The expenditures in France are just a trifle higher in total.

The VICE-CHAIRMAN: Are there any further questions on this item?



*By Mr. Fleming:*

Q. Is it in this item, Mr. Matthews, that we find the pensions of retired Canadian diplomats?—A. You mean under the Special Diplomatic Superannuation Act?

Q. Yes, I was thinking about the act passed last year?—A. No, there are no pensions at the moment payable under that act.

Q. Nobody has been retired as yet under that act?—A. No.

Mr. GAUTHIER: Who took Mr. Vaillancourt's place in Cuba?

The WITNESS: Mr. C. P. Hebert.

*By Mr. Dickey:*

Q. I was wondering about the Canadian legation in Japan. Is that still being used partially as a British Commonwealth billet?—A. I think there are still some people other than Canadians billeted in the building.

Q. How about the chancellery? Is office space still being provided there for the British Commonwealth member on the Allied Control Council?—A. Yes, there still is office space provided for other Commonwealth people. That space is actually allocated by the occupation forces.

Q. It has not been possible to do anything about improving it?—A. No.

(Mr. Winkler took the chair.)

*By The Acting Chairman:*

Q. If there are no further questions I would like to ask about the Canadian military mission in Germany. Is there any personnel there other than military personnel?—A. Yes, actually it has been converted now to a civilian basis. General Pope in charge is now on the External Affairs staff and he is no longer on the army staff.

Q. And the accommodation there is all rented, I presume?—A. Actually, the accommodation at the moment is provided free because it is a charge against the Germany economy. We do not know how long that will continue, so we have to provide funds, just in case.

Mr. FLEMING: Have you finished, Mr. Chairman?

The ACTING CHAIRMAN: Yes.

*By Mr. Fleming:*

Q. I was going to ask about the next item, office of the Canadian Delegation of United Nations, which is being bracketed in under representation abroad?—A. As a result of our election to the Security Council, we had to expand very greatly our representation in New York. It was not proper to include that in the appropriation for the consulate general, since it was a separate organization. While they do pool their services, it is run as a separate organization and separate provision is made for it in our estimates. This takes care of General McNaughton's office and staff.

Q. This is the first year we have had this particular estimate under the general item, representation abroad, as I understand it?—A. It is the first time we have had to have it. Since we are members of the Security Council we have had to have a permanent office to assist in New York.

Before, there was a small group with General McNaughton in connection with the atomic energy control. It had to be enlarged to take care of the Security Council work.

Q. I thought it would be more logical to have a separate item for this in the estimates rather than have it included in the general item, representation



abroad. It is hardly to be classed in the same category as our diplomatic representation in other countries?

Mr. CROLL: If the United Nations sits in Switzerland or Geneva this year, it will be abroad.

*By Mr. Fleming:*

Q. I thought there should be a separate item and it should not be bracketed with representation abroad, including the salaries of high commissioners, ambassadors, ministers plenipotentiary, consuls, secretaries and staff. I would not have thought that was the proper place for an item of this kind. I think it should be a separate item in the estimates.—A. From the administration point of view, the problem is exactly the same as operating any other mission and staff. The staff of that and other missions is completely interchangeable. The problems they deal with, while they are approached from another angle, are the same.

I must admit consideration was not given to treating it as a possible separate vote. It seemed to us to be the same general type of organization as our other missions. For instance, a large portion of the work in the Embassy in Washington and the High Commissioner's office in London is providing a staff to attend conferences and advise on those conferences if they happen to take place in those particular cities. This happens to be something in the nature of a year round conference which the staff of this particular office in New York looks after.

Q. How did you show our representation last year on the Economic and Social Council?—A. That was charged up to the conference vote in the same way our attendance at the assembly was charged to the conference vote. [This being a continuing office which will be operated for at least two years, we felt it proper to treat it as other continuing offices abroad rather than as a conference.

Q. It just struck me that it would be better shown as a separate item. It is different from the others, from the parliamentary point of view.

*By Mr. Pinard:*

Q. There is an amount of \$804 for Portland, U.S.A. What could be done with \$800 there?—A. That is for our honorary vice-consul in Portland, Maine. The honorary vice-consul receives an honorarium of \$800 a year. With the exchange to turn it into United States funds, it amounts to \$804. I think you will see there is an extra \$25 or \$30 which was spent in Portland last year. No, actually, an extra \$100 has been spent. The whole cost of that office is, really, just the honorarium to the honorary consul.

Q. Is he a Canadian citizen?—A. Yes.

The ACTING-CHAIRMAN: That will meet with the approval of all maritimers, I suppose. Is there any further discussion on this item?

*By Mr. Fleming:*

Q. Are the appropriations for the Canadian Information Service abroad included in this item?—A. Yes, actually, this year, by the time we prepared our estimates for this year, the Canadian Information Service and the general appropriations of the department had become completely inter-meshed. We could not separate them. Part of the operational expenses for the different missions will include salaries of people who will be doing information work. Various members of the staff will be spending part time on information work, part time on political work and part on consular work. Therefore, you cannot



say the expenses of information abroad are so many dollars. The expenses for information abroad are included in the operational expenses provided for the missions. There is no real separation between the staffs now, it is all a unit.

Q. Since you merged the functions of the former Canadian Information Service with the other functions of the department, I think it was a year ago, I would not expect to find separate items this year. It is rather difficult in attempting to draw a proper comparison with previous years. Were the information services merged last year in this vote?—A. Yes, by the time the estimates were printed, the votes had been merged. Actually what appeared in the printed estimates last year was the sum of the estimates that had originally been submitted by the Department of External Affairs and those which had been submitted by the Canadian Information Service.

Q. It may be difficult for that reason to appraise the value of the work of the department on the information side. Is there any information you have or can possibly give us, in general, as to the policy being followed in regard to information services? I suppose the place about which we are most concerned as to the effectiveness of the information service is probably the United States. The portion of the chancery which is now given over to the information service is not very large. My recollection is that it is just two rooms. You have just two persons in the chancery staff devoting their time to that work?—A. There is one thing you have to remember. There was a separate information service and it had a separate office. It had a separate switchboard and a separate teletype. Now, their records are handled by the central records office and they receive their messages on the central teletype. They use the same messengers, so you cannot compare the staffs or the space occupied by the former information service with the staffs and the space occupied at present. A lot of the functions performed by the old information staff are now performed by the Embassy staff. There are only two information officers in Washington. However, they have a fairly large staff doing such things as constantly surveying the United States press. It was a service performed previously jointly, by a staff partly provided by the Embassy and partly provided by the Information Service. This work is still carried on. While there are only two people technically known as information officers, there are a great many more people servicing those offices in the way that the independent staff used to service them before.

Q. Yes, I appreciate that. Have you any information to give us about the effectiveness of the work that is being done now? I am thinking of the United States again, I am not going farther afield than that. This is a matter of very great importance to Canada?—A. I have nothing other than very general information on that, I am sorry. Mr. Rae is not here tonight. I am sure he will be glad to come and go into detail on what the Information Service is doing.

Q. I do not want to be understood as minimizing the quality of the work which is being done through this Information Service in the chancery. I do not want to be understood as suggesting that for a moment. I am just wondering if we might have, for the information of the committee and also for the record, something of a review of the work that is being done there. I am speaking of the information work that is being done in Washington and the effectiveness of it?—A. I am sure Mr. Rae would be glad to appear at another meeting of the committee. Personally, I would not feel sufficiently familiar with that work to give you any review. If the chairman wishes it, I will arrange for Mr. Rae to come here for another meeting.

Mr. HARRIS: It was understood we should have all the various people represented here, sooner or later.

The ACTING CHAIRMAN: Possibly that would suit you, Mr. Fleming?



Mr. FLEMING: Quite. I think it is a matter of importance. The whole committee is concerned with wanting to know something about it.

The ACTING CHAIRMAN: Are there any further questions on this item?

Mr. FLEMING: May I be pardoned for asking one more question? I apologize for taking up so much time, but I have given some thought to this matter. Mr. Matthews was telling us last week about the allowance made to the different embassies and legations abroad—the cost-of-living allowance; can you, Mr. Matthews, give us the highest percentage of allowance that you have anywhere abroad?

The WITNESS: I am afraid I have not got the tables here. The tables on allowances cover the posts both for the trade commissioner service and our own, and the highest point is Caracas, which actually is at the moment staffed by the trade commissioner personnel, and the senior trade commissioner is the acting consul general. I am sorry I have not got those tables of allowances here, but the height of the allowances in Caracas is caused entirely by the rate at which the Dominion Bureau of Statistics have established the cost-of-living index for that post.

Mr. FLEMING: Perhaps, as a matter of information, Mr. Chairman, Mr. Matthews could bring that table to us at another meeting and put it on the record?

The WITNESS: Yes, I shall be glad to do that.

Mr. PINARD: There seems to be a great increase in expenditures for the mission in Poland—from \$12,776 in 1947 to \$107,300 now: is that for building?

The WITNESS: No, that again is a case where we only opened up well into the past year, and this year we were obviously counting on a larger staff. For a long time last year while the office was opened we had a charge d'affaires there, Mr. Kirkwood, and he had nobody to help him; he was actually doing his own type-writing. We had to increase that staff substantially, and with the increased staff there is increased accommodation for their living quarters. There is a larger staff than there was last year and it is operating for the full year.

The ACTING CHAIRMAN: Are there any further questions?

Mr. FLEMING: Does the same apply to Sweden, Switzerland and Yugoslavia?

The WITNESS: Yes. In Sweden actually there was only a charge d'affaires the whole of last year. He was the person who was there as trade commissioner before, so our additional costs last year when he was designated as charge d'affaires were small. This year's estimate provides for the possibility of there being a minister there and for his having to run with the full staff of a legation. The Yugoslavia office was only opened in the last few days of the year.

The ACTING CHAIRMAN: Are there any further questions on that item?

Mr. GAUTHIER: With regard to Portugal, what is covered there?

The WITNESS: As far as External Affairs is concerned, he is the consul general in Portugal. As far as his capacity as trade commissioner is concerned he has other territories; but as far as his capacity as consul general is concerned it is Portugal only.

The ACTING CHAIRMAN: Shall we carry that item?

Mr. FLEMING: Are you leaving that item open for further information?

The ACTING CHAIRMAN: Yes.

Mr. HARRIS: Did you say that it should stand?

Mr. FLEMING: Until we get further information.

Mr. HARRIS: Cannot we carry the item and put the information on the record?

Mr. FLEMING: Some questions may arise out of the information. I am not proposing to carry on an extended line of questions.

Mr. HARRIS: I was wondering if we could not carry the item—



The WITNESS: Mr. Hemsley said he would go over and get the allowances' schedules so that I could give you the answer now.

Mr. FLEMING: You have to get the information on the Information Service anyway, haven't you? Those are the two things I was holding open.

Mr. HARRIS: May we not carry the item subject to providing the information Mr. Fleming has asked for, and he will have complete freedom to examine on that information?

The ACTING CHAIRMAN: Yes, and anyone else who may choose to ask questions.

Carried.

Shall we pass on now to item 55: "To provide for hospitality in connection with visitors abroad, \$25,000".

*By Mr. Fleming:*

Q. That is considerably more than you actually needed last year. There is no way of gauging that in advance, is there?—A. There is no way of gauging it in advance. I do not think we have ever spent more than \$18,000 or \$19,000, but we have to have a margin of safety.

Q. That is just with regard to heads of states visiting Canada, is it not?—A. Yes, heads of states; and for other important visitors from abroad.

The ACTING CHAIRMAN: Shall the item carry?

Carried.

Item 56: amount required to meet loss on exchange, \$45,000.

The WITNESS: The main purpose of that vote is to take care of the provision which I think was described at the last meeting for paying to members of our staff in Moscow roubles at a guaranteed rate of exchange up to the estimate of their requirements for basic living. We let them draw roubles at twenty-five to the dollar. We buy those roubles today at the rate of eight to the dollar and we used to buy them at the rate of twelve to the dollar, and this is the vote which absorbs the loss on exchange. We were in somewhat the same position for a little while in regard to Poland, but actually we have found that the exchange rate there is in our favour, so that there is no loss there now. The \$45,000 was expected to cover the loss both for Russia and Poland, but it will now take care of the greater cost of living in Russia as the result of the change in the rate of exchange.

Carried.

The ACTING CHAIRMAN: Item 57: "grant to United Nations Society in Canada, \$5,000."

Mr. HARRIS: I understand that we shall be hearing representatives of the United Nations Society so it might be desirable to let the item stand until we hear them.

Mr. CROLL: Do they want more money?

Mr. HARRIS: I do not know.

Mr. FLEMING: Mr. Morse stated last year they would like some more.

Mr. CROLL: Are they getting any more?

The ACTING CHAIRMAN: They are getting \$2,000 more. That item stands.

Item 58: "Expenses of the Canadian delegation to the International Civil Aviation Organization, including salaries of Canadian delegate and staff, notwithstanding anything to the contrary in the Civil Service Act or any of its amendments, \$25,000."

*By Mr. Fleming:*

Q. Could we have a report on the work of ICAO during the past year?—  
A. That is the one organization upon which we have not been able to bring



a real expert. I think we have a memorandum here that describes some of that work.

Mr. HARRIS: Would it be the desire of the committee that someone from the delegation should come here, or do you want to pass the \$25,000?

The WITNESS: I am afraid—

Mr. FLEMING: Actually, there are very few people in your department, Mr. Matthews, who had anything to do with this item. Is it not in Mr. Howe's department?

The WITNESS: This particular item is for the expense of our delegation in Montreal; they represented us at the headquarters of the organization. This is the expense of running the Montreal office. Our contribution to ICAO will appear in the grants to international organizations in our supplementary estimates. We have not received the billing yet. This \$25,000 item—is the cost of our delegation in Montreal.

(Mr. Graydon, the Vice-Chairman resumed the chair.)

Mr. FLEMING: Mr. Chairman, may I say for your information that we are dealing with item 58, the Canadian delegation to ICAO. Later on there is to be a grant voted, an adjustment for ICAO, and I was asking if we might have a report on the work of ICAO during the past year. I think we should have that before we approach these two items.

The WITNESS: Would you like to consider them together?

Mr. FLEMING: Yes.

The WITNESS: We only have a very brief memo here and none of the people who have actually been doing administrative work in relation to it are present. I might say that Mr. Moran is getting married tomorrow, but he will be available as soon as he returns and we will be glad to arrange for him to appear before the committee and give you an account of that work, if you would not mind waiting for his return.

The ACTING CHAIRMAN: When do you expect him back?

The WITNESS: A week or ten days.

Mr. FLEMING: This ICAO is a very important organization and I think we should have a report on the work it is doing.

The WITNESS: If you have a meeting next week we could have him here to deal with that.

Mr. FLEMING: Perhaps we could have someone from Mr. Howe's department. I would not suggest that we subpoena Mr. Howe though.

Mr. HARRIS: Since this is an item in which we are obliged to provide a delegation it seems to me that we have to be held responsible for seeing the delegation. We might have someone from Mr. Howe's department come and tell us what they are doing.

The WITNESS: Actually there are not in the estimates any items for provisions to ICAO. We have not yet got our assessment for the current year and that will mean that it will have to go into the supplementary estimates.

The ACTING CHAIRMAN: Perhaps we could pass the item and if there are any questions we can come back to it on the general item of departmental administration which has not been finished.

Mr. FLEMING: I would ask the chairman for a report on it. I think it is a matter of importance which warrants a report on the work of ICAO during the past year.

The ACTING CHAIRMAN: Would you suggest it stand?

Mr. FLEMING: This particular item, yes.



The ACTING CHAIRMAN: Perhaps we then can go on to the next item, allowing this one to stand, and that will be 59, Canadian section of Canada-U.S. Permanent Joint Board on Defence. Are there any questions on that?

Mr. FLEMING: What are they doing now?

Mr. BAKER: It is a very small amount.

Mr. FLEMING: Yes, it has almost vanished.

The WITNESS: This just pays the travelling expenses of the Canadian representatives on the board.

Mr. FLEMING: But there are certain grants?

The WITNESS: External Affairs and other departments such as the Army, the Air Force and Navy provide the personnel. Just travelling expenses are provided for in this item.

The ACTING CHAIRMAN: Under what item would members of parliament be able to find out exactly what the work of the Canadian section of the Canada-U.S. Joint Board on Defence is. Mr. Fleming asked that question.

The WITNESS: I cannot think of any. It is an organization which has no power to do anything except recommend. It does not incur expenses as such, other than these travelling expenses.

Mr. FLEMING: How often are they meeting anyway? Where do they meet?

The WITNESS: The places of meeting vary, they may be anywhere in Canada or anywhere in the United States. I think these meetings take place once a month. Probably Mr. Escott Reid could tell us something about that.

Mr. ESCOTT REID: I am sure, Mr. Chairman, if the committee desire him to do so General McNaughton would be glad to appear before you and speak about the work of the Atomic Energy Commission, and at the same time have questions addressed to him about the work of the Joint Board of Defence. As you know, he is chairman of the Canadian section.

Mr. FLEMING: We had two very interesting days with Mr. McNaughton last year. He might have some information this year in the light of what has happened on the Security Council.

The ACTING CHAIRMAN: What is the wish of the committee with respect to that?

Mr. GAUTHIER: I suggest we carry the item.

The ACTING CHAIRMAN: Are you prepared to carry the item on the understanding that General McNaughton will be before the committee on this or a collateral subject?

Some Hon. MEMBERS: Carried.

The ACTING CHAIRMAN: On vote No. 60, to provide for relief of distressed Canadian citizens abroad.

*By Mr. Fleming:*

Q. Could we have an explanation of that?—A. This item 60, prior to last year was provided for by the immigration branch of the Department of Mines and Resources. As we now have more offices abroad it has been transferred to our department and is largely administered by the people in our missions. It takes care of cases where a Canadian becomes stranded in any country of the world and is not physically capable of being put on a boat and made to work his way back. This is one vote over which we exercise very strict supervision and only where there is no other way is relief given under this vote. He does not get it if he is capable of working and if work can be obtained for him in the country in which he finds himself he has to take it. However, the purpose of this vote is to enable the Canadian who is stranded abroad to get back



to this country. An undertaking is always required from the individual concerned to repay, and also where possible we get in touch with relatives in Canada asking them also to repay any expenses which are incurred.

*By the Acting Chairman:*

Q. What is your experience with repayments?—A. I should think that usually if you can't get the money in advance you don't get it back afterwards. We often get in touch with relatives in Canada, if there are any, to deposit \$250 to defray estimated expenditures, and if you do not get payment in advance, usually you do not recover.

The ACTING CHAIRMAN: Any further questions in item 60?

Carried.

61—Canadian representation at international conferences.

Mr. PINARD: I am sure you will want to have an explanation of that.

*By Mr. Fleming:*

Q. Yes, a breakdown.—A. Actually it is pretty well impossible to give a detailed breakdown in advance. Mr. Hensley is just looking to see if we have the details of our expenditures for last year.

Q. Last year expenditures were considerably more than your estimates—no, no; you estimated \$400,000 last year and you expended \$382,685.22?—A. Yes.

Q. You do not expect as many conferences this year?—A. Last year I think it cost just about \$100,000 for the trade conference in Geneva and the subsequent one at Havana which went on the whole twelve months of the year. There will not be any such conferences this year. And this vote paid all the expenses of the very large Canadian delegation both in Geneva and in Havana. I am afraid that all I have here is a breakdown to September 30, the expenditures from April 1 to September 30, the first six months of the year. If you like I will get our treasury officer to prepare a breakdown for the full year and have it for you at the next meeting.

Q. This is a very large item and I suggest that the committee will wish to have a breakdown of the expenditures of this item for the previous fiscal year and a further breakdown of the estimates for the current fiscal year.—A. The estimates for the current fiscal year are made in precisely the same way that our estimates for the last year were made; and I think you asked for the same information, if I recall it, at our meetings last year; but really it is impossible to know even now, let alone last November when this item was prepared, exactly what conferences will be taking place or what the size of the Canadian delegations will be. What you really have to do is to take the over-all picture of what you have spent on conferences the year before and, knowing the major conferences which it is probable will take place, then decide—really it is a matter of an informed guess—as to what is a safe amount to cover next year's conferences. Last year I must admit our guess was a little too close for comfort because we only had \$18,000 out of \$400,000 at the end of the year. One more conference sprung on us would have meant we would have been short of funds. I think the fact we have cut that by \$100,000 this year shows we are not asking for an overly generous amount, because this will cover the Canadian delegation to the assembly, to UNESCO meetings, to all the various meetings of one kind or another.

*By Mr. Harris:*

Q. Mr. Matthews, I assume you have in mind now certain conferences where Canada will be represented?—A. Yes, there is a very long list of conferences.



Q. I think that is what Mr. Fleming has in mind.—A. I can give you those. It would be very difficult to give dollar amounts opposite each one of them.

Mr. FLEMING: Probably we can ask our questions more intelligently on this item after we see the breakdown of expenditures last year and this list of contemplated conferences for the current fiscal year.

The WITNESS: I would be glad to bring that as soon as it can be prepared, a detailed statement.

Mr. FLEMING: We might leave that for the moment.

*By Mr. Dickey:*

Q. Would this include any possible commonwealth conference? I see the item says "international conferences."—A. No, that would include any conference, a commonwealth conference as well as one with foreign nations.

The VICE-CHAIRMAN: Is it the desire of the committee to let the item stand pending the production of the detailed statement on which questioning can then take place? (Agreed).

I think, Mr. Fleming, you were asking some questions with respect to item 63 and item 64, but before we go on to the United Nations perhaps we might call item 63, the Imperial Economic Committee.

*By Mr. Fleming:*

Q. You will recall at the last meeting I was referring to the discussion we had in the committee a year ago on these two items. We were told then by one of the witnesses that there were important conferences planned to be held in London last summer with respect to both the Imperial Economic Committee and the Imperial Shipping Committee, and they might have a bearing on the determination of the continued existence of those two bodies. I did not see any publicity at all attached to those meetings in London last year, and I wondered if we might be allowed to know something more about them.—A. Miss Burwash of the economic division is here and can tell us what these organizations have been doing during the last year. I think the actual conferences were cancelled. If you would like it Miss Burwash can take over.

The VICE-CHAIRMAN: We welcome Miss Burwash taking over; I am sure the committee would be glad to have her give as much information as she can. Are there any questions of Miss Burwash?

Mr. FLEMING: Probably we had better let Miss Burwash do the talking and tell us about these two items, what the two bodies have been doing, and where these conferences are going to be held this year.

Miss H. D. BURWASH: The bodies are continuing bodies that work all the time. I think perhaps it is not strictly accurate to speak of conferences being held. Their work is under review all the time, and particularly as far as the Commonwealth Economic Committee is concerned. They have changed their name in the last year. They are now referred to as the Commonwealth Economic Committee and the Commonwealth Shipping Committee. As far as the Commonwealth Economic Committee is concerned its work is under review all the time because to a certain extent it does something of the same kind of thing as the Food and Agriculture Organization will be doing more and more of as time goes on. The usefulness of the work done by the Commonwealth Economic Committee is scrutinized from that point of view as to whether the Food and Agriculture Organization may tend to replace it in time.

The Commonwealth Shipping Committee has a special function of its own. It is not really covered by any other organization. It does study shipping problems within the commonwealth itself. It is an organization in which representatives of the commonwealth governments sit, and in which representatives of



shipping concerns and of merchants who use the shipping services, and of all business interests concerned, also cooperate in the work. It has studied a number of problems of interest to Canada since it was founded back in 1920, and has done a good deal of work on marine insurance rates. As a result of its efforts the Hudson Bay Marine insurance rates were dropped at one time. It is at the present time studying the British West Indies shipping services, examining the need for services, and how well they are being met.

Mr. BAKER: These are largely travelling expenses because it is not a very large item?

Miss BURWASH: No, Canadian representation on both committees is met from Canada House in London, so there are no travelling expenses involved. It is the expense of the secretariat and considerable research work they do, and in the case of the Commonwealth Economic Committee of their publications. They have a regular series of publications, a commodity series, and what they call their economic intelligence series, which give up to date information on business conditions at regular intervals.

Mr. BAKER: Then the representatives of the marine insurance companies and the shipping interests have to come gratis; there is no remuneration for them?

Miss BURWASH: No, they come in of their own interests.

The VICE-CHAIRMAN: Who are the representatives from Canada on the Commonwealth Economic Committee?

Miss BURWASH: Mr. Hudd, who is official secretary of Canada House, is our senior representative, and Mr. Bryan who is commercial counsellor there, is our second representative.

The VICE-CHAIRMAN: All our representation is taken from Canada House?

Miss BURWASH: Yes.

The VICE-CHAIRMAN: Does that apply also to the Commonwealth Shipping Committee?

Miss BURWASH: Yes. Mr. Bryan is our representative on the Commonwealth Shipping Committee.

The VICE-CHAIRMAN: Any other questions?

Mr. DICKEY: Do the Canadian private interests have any representation on the Commonwealth Shipping Committee, the ship owners?

Miss BURWASH: Private owners can bring up matters if they so wish, and if there is any matter that would be of interest to Canadian shipping interests it would be up to them, I think, to request to be heard. There is no continuing representation.

Mr. DICKEY: Private interests are not represented on the Commonwealth Shipping Committee?

Miss BURWASH: No, I do not think there is any continuing representation from private interests. They appear when their interests are affected.

Mr. DICKEY: Do they publish reports?

Miss BURWASH: When they have completed an investigation; they used to come out in the form of British white papers, or something similar.

Mr. DICKEY: It is an official publication of the British government.

Miss BURWASH: Yes. I do not think there has been anything done since the war; they have not published anything.

Mr. FLEMING: These two amounts are not very large. I suppose the two committees have permanent secretariats?

Miss BURWASH: They have small permanent secretariats in London.

Mr. FLEMING: You say there has been no report issued by either committee since the war?



Miss BURWASH: I did not mean exactly that. The Commonwealth Economic Committee has resumed its prewar publications, and has a regular series, a series of studies on commodities, wool, dairy products, and other commodities, and a regular series of market intelligence and economic intelligence reports. The Commonwealth Shipping Committee studies one problem as a whole. It may confine itself to one single problem at a time, and it does not publish the results until it has completed the investigation of that problem, like a royal commission report.

Mr. FLEMING: In what proportion do the member nations of the commonwealth contribute to the expenditure?

Miss BURWASH: They set an over-all budget, and it is divided up into a number of units. The United Kingdom looks after the colonial empire as well. I am afraid I have not the exact figures. I think the United Kingdom is something like 30 units where Canada would be 16. Canada has the second largest number of units and the other countries of the commonwealth in diminishing proportion down to Newfoundland with one.

Mr. FLEMING: That applies to both committees? Canada is contributing 16 per cent of the total expenditure?

Miss BURWASH: Not 16 per cent, 16 units out of 50, where the United Kingdom would be about 30.

Mr. FLEMING: Out of 50?

Miss BURWASH: Yes.

Mr. FLEMING: Canada is contributing about 32 per cent of the total?

Miss BURWASH: Yes. I am afraid I do not know the exact total of the number of units. I did not bring the figures with me.

The VICE-CHAIRMAN: If there are no further questions on those two items we will pass on. Are there any other questions? We will carry items No. 63 and 64. At the same time, perhaps we might also ask the committee to carry number 53 which we finished discussing at the last meeting but I believe it was not formally passed.

Item 53 carried.

I will now call number 62, the United Nations vote. Before this discussion however, I wish to express the committee's thanks to you, Miss Burwash, for the very clear way in which you have answered the questions during your examination.

I have been discussing this matter with Mr. Harris and have to advise the members that the United Nations report has not yet been printed. We rather expected it would be ready tonight but it has not been returned from the printer. We are hopeful that it will be in the hands of the members by Wednesday night of this week. I think perhaps it would be best to delay a detailed discussion of that report and any statements which might be made by Mr. Riddell until such time as the report has been received. In view of the fact this item is the assessment which this country must pay to the United Nations organization perhaps we might confine ourselves to only that phase. After that discussion we might decide to adjourn or to take another item. If that meets with the wishes of the committee I think it would perhaps expedite matters because without the report I do not think we could hope to give the attention to this item which the committee would otherwise desire to give. With Mr. Matthews as the witness, we might put questions with respect to the assessment which this item actually covers.

The WITNESS: Mr. Chairman, this is the payment of Canada's portion of the total budget of the United Nations for the year. The total budget worked out by the budget committee of the United Nations is \$34,825,195, U.S. funds. Canada's share is 3.2 per cent of the budget or \$1,090,030, U.S. funds, which in Canadian dollars at  $\frac{1}{2}$  of 1 per cent premium amounts to a sum within a few dollars of that mentioned in the estimate, namely \$1,095,000.



Mr. FLEMING: There is no change in the Canadian percentage? There is only a change in the total budget?

The WITNESS: It is the same percentage as we contributed last year.

*By Mr. Dickey:*

Q. What about the plans for building and establishing the permanent home of the United Nations?—A. I have not got the actual budget in front of me but I understand that this does include a portion of the building cost.

Q. Does it include any expenses in connection with drawing of plans for necessary development?—A. Yes.

Mr. FLEMING: Is the whole of that United Nations building budgeted this year? I understand that it is about \$70,000,000?

The WITNESS: No, it is being spread over a period of years.

Mr. RIDDELL: The financial arrangements for financing the United Nations headquarters have not yet been made. The present arrangement is that construction will go ahead on the basis of a loan provided by the United States government. That loan has been provided by the administration of the United States and is before Congress. The loan will be paid off over a period of years through contributions by the member nations. Detailed arrangements for the repayment of that loan by the United States have not yet been made in final form.

Mr. DICKEY: What is the amount of the loan?

Mr. RIDDELL: Approximately \$60,000,000.

Mr. FLEMING: Is any part of that included in this year's budget of the United Nations?

Mr. RIDDELL: May I answer that question when I have the report before me?

The VICE-CHAIRMAN: May I ask one or either of the gentlemen whether there has been any change in the percentage contributed by the various powers during the last fiscal year as compared or contrasted with the previous year?

Mr. RIDDELL: The contributions were continued on the same basis at the last session of the Assembly.

The VICE-CHAIRMAN: So the United States still pays approximately 39 per cent, Britain 12 per cent, Russia 6 per cent, and Canada pays a little over 3 per cent?

Mr. RIDDELL: Approximately.

The VICE-CHAIRMAN: Are there any other questions with respect to our contribution to the United Nations? We will allow this item to stand until we get the report. I think we might revert, if the committee is agreeable, to number 54 and ask the officers to answer Mr. Fleming's question with respect to cost of living allowance.

The WITNESS: I have the table of allowances before me now.

Mr. FLEMING: Would it not be simpler to put the table on the record?

The WITNESS: Yes, we could put the table on the record.

Mr. FLEMING: Would it not be better to do that, Mr. Chairman? It is apparently a table and it will be a little difficult to follow if it is just read.

The VICE-CHAIRMAN: Yes.

The WITNESS: I would like to make one comment on that table because it is not too easy to understand the true value of an allowance payment in dollars which appears to be a very large amount of money. We find some



difficulty on the part of some of our people when they are posted abroad because when they see these very large sums in dollars coming to them for allowances they jump to the conclusion that they are going to be very well off, forgetting that by far the greater part of this sum of money is required to meet the higher cost of living at that post as compared with Ottawa. We have quite recently written a letter to all our junior officers abroad explaining just what they should be able to expect to do with their allowances. It is a letter that will also be handed to each officer as he proceeds abroad and I would like to read some extracts from the letter which should be considered along with the table. This is what we said to them:

To get a true picture, the junior officer should know what his dollar income would be at a post where the cost of living is exactly the same as in Ottawa. Any additional sum of dollars he receives, above what would be paid at such a post, will only enable him to meet the higher costs and will not help him to live on a higher standard. The position of a foreign service officer grade 1,—

That is a third secretary.

—receiving a salary of \$2,700 a year at this theoretical post would be as follows and, in so far as we can do so, we have adjusted allowances to make purchasing power the same at all other posts.

The living and representation allowances of a married foreign service officer grade 1 would be \$1,692 a year, and of a single foreign service officer grade 1, would be \$1,128. In addition, at present, a married man with no children would receive a benefit of \$210 from income tax exemption and a single man \$360. This means that in terms of Ottawa costs the married foreign service officer grade 1 has greater spending power than his opposite number in Ottawa of \$1,902 per annum or \$158 per month, and the single foreign service officer grade 1, \$1,488 per annum or \$124 per month.

We then went on in this letter to point out the extra spending we would expect of this junior officer to incur if he were posted abroad rather than in Ottawa. We would expect him to undertake a certain amount of representational work. He would also have to attend many more functions with the extra expense of owning more clothes, more laundry, more transportation to and from these functions. If he happens to have a family, he would have more expenses for sitters or servants. Then, we concluded our memorandum by pointing out that the man abroad is able to meet these additional expenses but, really, has very little left over for a generally higher standard of living. Even though his allowance may be right at the top of the scale, that really means no more in spending power than this \$158 a month would at Ottawa cost levels.

Q. I understood that the allowance was simply to try to equalize his actual living costs abroad, with those prevailing in Ottawa?—A. There are two factors—

Q. —and it did not have anything to do with entertainment or his participation in his duties abroad?—A. There are two factors. We assume, if he were living at a post that had exactly the same cost level as Ottawa, he would need a certain amount more per month; that is what you might call the representational factor in this allowance. Then, we weigh his salary, plus that basic allowance, according to the cost of living at the post. Therefore, it has both the cost factor and the representational factor.

Q. How are they weighted? Did you not say they were weighted?—A. The Dominion Bureau of Statistics prepares an index for each post, showing what the cost of living is at that post. We assume that 70 per cent of the basic salary



and allowance is spent on the post and 30 per cent in Canada. That 70 per cent is weighted according to the index prepared by the Dominion Bureau of Statistics.

*By Mr. Harris:*

Q. Is that applied to both what you call the representational allowance and cost of living allowance?—A. It applies to both, yes, because the representational allowance will be very largely spent at the post.

*By Mr. Fleming:*

Q. In those figures, how do you separate the representational allowance from the cost of living allowance?—A. You do not. It is all in one lump sum.

Q. How does the department approach the two items? You look at an item, there—it is a little hard to ask this question without seeing the table. How much are we assigning to cost of living and how much to representation?—A. It is really impossible to sort out the two. When we were preparing this scheme, which we did with representatives of the Controller of the Treasury, the Treasury Board, the Department of Trade and Commerce, the Dominion Bureau of Statistics and ourselves, we tried to attack the problem from that point of view. We found we just could not do it. To permit a person even to do a modest amount of entertaining, he probably had to have a slightly larger house. He probably had to have more maid service than otherwise would be the case. To separate part of his rent or heat or light as applicable to entertainment, you just cannot do it. Your representation, to a certain extent, necessitates a different standard of living, and you cannot sort out the part of the living costs made necessary by that higher standard. Part of it will be your normal living costs.

Q. You do expect these junior Canadian representatives to carry out representational duties?—A. Yes, as I say, on a modest scale. The further up the ladder a man is the more you will expect him to do.

Q. What do the figures look like, Mr. Matthews? Is the table very long?—A. Yes, it is quite long. It is not a complete table because the Dominion Bureau of Statistics has not been able to prepare allowances for every post. You will find some of our posts missing.

For instance, a married foreign service officer grade 1 who is the person I suggested, if he were in a place with a cost of living equal to Ottawa, would get \$158 a month. They vary from a low of \$1,500 a year in Lima to a high of \$7,500 a year in Caracas.

Q. Is that an allowance or the allowance and salary combined?—A. No, that is an allowance. Caracas costs according to this, somewhat over three times as much to live in as Lima, and the allowance is to take care of that spread in costs in both your salary and what you would call your basic allowance.

Q. Let us say a foreign service officer grade 1, who has a salary of about \$1,900 a year— —A. No, his salary ranges from \$2,700 up to around \$3,500.

Q. \$2,700 to \$3,500 would average around \$3,000 and he receives an additional \$7,500?—A. Yes, and that will only let him live on a basis equal to that possible in Ottawa with an extra \$1,800 over and above his salary, according to our computation because the cost of living is so fantastic in Caracas.

Q. What commensurate benefits are we getting from representation at Caracas, this place where the cost of living is so fabulous?—A. I do not think \$1 spent in Caracas for representation gives us the same value as a \$1 spent in Washington. You will remember that \$1 spent in Caracas probably buys one-third what it will buy in Washington.

Mr. HARRIS: I do not think Mr. Fleming suggests we should withdraw our representation until the cost of living is reduced somewhat?



MR. FLEMING: The time might come when the cost of representation does out run any resemblance to value.

THE WITNESS: I might point out that in Caracas, between the two departments, Trade and Commerce and ourselves, there is one foreign service officer.

*By Mr. Winkler:*

Q. Have you the Chinese figure?—A. No, it has been completely impossible to establish any figures for China. They vary so much from day to day.

*By the Vice-Chairman:*

Q. I take it a good deal of this money is spent for entertainment purposes and things like that which go with the normal functions of the diplomat?—A. Well, in the junior grade, a very small per cent would be spent on entertainment expenses. It is really living costs. As you get into the senior grades, you expect these senior men to undertake a great deal more entertaining.

Q. If you do not mind, I should like to make an observation with respect to that.

One thing the United Nations might very well take into consideration some time is the calling of a truce on the question of entertainment all across the board. I fancy Canada cannot very well take the lead in that connection because it is a very competitive affair internationally. However, I think we might at least call some kind of a halt to the expenditures, since all nations seem to be vying with each other and trying to outdo one another in connection with entertainment. I very greatly doubt the over-all value of such big expenditures. I fancy that some of it has to be done, but I think it is very easy on a competitive field like that for small nations to find themselves in the very difficult position of having to spend money quite out of line with their domestic conditions at home.

MR. PINARD: In other words, we should just let them entertain us for a while.

THE VICE-CHAIRMAN: No. I do not think we should be entertained any more than we should entertain, but I think that perhaps there should be a truce across the board on the whole matter, and I think it would be of benefit to international affairs in general.

MR. HARRIS: May I ask you if you belong to the society for the prevention of tipping?

THE VICE-CHAIRMAN: I think this is something that has been in the minds of some people for a few years.

MR. GAUTHIER: I believe that entertaining is absolutely necessary because I recall that Talleyrand, the great French diplomat, did most of his work by way of entertaining. I think it is pretty hard to stop entertaining altogether.

THE VICE-CHAIRMAN: Now, gentlemen—

THE WITNESS: Mr. Chairman, Mr. Riddell said he would like to say just a word in response to your statement with regard to the United Nations.

MR. RIDDELL: Mr. Chairman, I might say a word or two on the point which you raised. You made some reference to the United Nations in introducing your reference to the subject. I think there is a tendency, and it was shown at the last assembly, to reduce the extent of the cost of entertainment that took place. I think a certain amount of entertainment is inevitable at any big international gathering—

THE VICE-CHAIRMAN: Quite.

MR. RIDDELL: —and any Canadian delegation will have to participate to a certain extent. It has, however, been a principle of Canadian delegations that such entertaining as the delegation does shall, if at all possible, be done in such



a manner that it will contribute to the usefulness of the work of our delegation in making easy the contacts of the members of the delegation with members of other delegations and thus giving members of the delegation opportunities to discuss with people with whom they have close working relations, the particular subjects which are under consideration.

It is not possible to do that in all circumstances. I think it is quite correct to say that as far as it is possible in the administration of Canadian delegations at international conferences entertaining is done with a view to its utility in the work of the delegation.

The VICE-CHAIRMAN: Mr. Riddell, I am very grateful to you for your explanation, because I can recall that in the few conferences of this kind I have attended the Canadians deserved a great deal of credit on that score; because they have not tried to keep up with the Jones as some other countries did. My remarks were directed more particularly to some of the other nations rather than to ourselves; because I think we have used a good deal of common sense in connection with delegations I have been with, and it seems to me that we are not open to much criticism in that connection. However, I think on the general score it would be wise for the nations to consider the whole problem from the over-all point of view.

Now, Mr. Fleming, would you like to move that this schedule be printed as an appendix to our record?

Mr. FLEMING: Yes.

The WITNESS: Mr. Chairman, I should like to take this schedule back to the office because there is at least one row which needs amending, and when that has been amended I will have it placed in the record.

(See Appendix "A").

The VICE-CHAIRMAN: Now, gentlemen, we have reached the end of our discussions for tonight. Pending the production and the printing of the United Nations report, which we hope will be in our hands by Wednesday night, if it is agreeable to committee perhaps we will leave the calling of the next meeting to the chair; but I would ask you to be prepared to meet at 8.30 on Wednesday night if we are prepared at that time to proceed with the United Nations matter.

The committee adjourned.



## APPENDIX "A"

LIVING AND REPRESENTATION ALLOWANCES FOR  
FOREIGN SERVICE OFFICERS ABROAD

F.S.O. RANK	1		2		3		4		5 & 6	
	M* \$	S† \$	M \$	S \$	M \$	S \$	M \$	S \$	M \$	S \$
Ankara.....	4,260	2,856	5,100	3,420	5,976	4,008	6,888	4,620	7,944	5,328
Berne.....	3,864	2,592	4,620	3,096	5,424	3,636	6,252	4,188	7,176	4,812
Bogota.....	4,224	2,832	5,052	3,384	5,916	3,960	6,828	4,572	7,860	5,268
Bombay.....	3,864	2,592	4,620	3,096	5,424	3,636	6,252	4,188	7,176	4,812
Brussels.....	3,744	2,508	4,488	3,012	5,256	3,516	6,060	4,056	6,948	4,656
Buenos Aires.....	3,420	2,292	4,104	2,748	4,812	3,228	5,544	3,720	6,336	4,248
Cairo.....	4,344	2,916	5,184	3,468	6,084	4,080	7,020	4,704	8,100	5,424
Canberra.....	1,620	1,080	1,992	1,332	2,340	1,572	2,664	1,788	2,916	1,956
Capetown.....	2,304	1,548	2,796	1,872	3,276	2,196	3,756	2,520	4,212	2,820
Caracas.....	7,596	5,088	9,000	6,036	10,536	7,056	12,204	8,172	14,268	9,564
Chicago.....	3,024	2,028	3,636	2,436	4,260	2,856	4,908	3,288	5,580	3,744
Copenhagen.....	3,468	2,328	4,152	2,784	4,872	3,264	5,604	3,756	6,420	4,296
Detroit.....	3,024	2,028	3,636	2,436	4,260	2,856	4,908	3,288	5,580	3,744
Dublin.....	2,904	1,944	3,492	2,340	4,104	2,748	4,716	3,156	5,352	3,588
Glasgow.....	3,096	2,076	3,732	2,496	4,380	2,940	5,028	3,372	5,736	3,840
Guatemala.....	3,096	2,076	3,732	2,496	4,380	2,940	5,028	3,372	5,736	3,840
The Hague.....	3,300	2,208	3,972	2,664	4,656	3,120	5,352	3,588	6,108	4,092
Havana.....	3,864	2,592	4,620	3,096	5,424	3,636	6,252	4,188	7,176	4,812
Johannesburg.....	2,616	1,752	3,168	2,124	3,720	2,496	4,260	2,856	4,812	3,228
Kingston.....	2,496	1,668	3,024	2,028	3,552	2,376	4,068	2,724	4,584	3,072
Leopoldville.....	3,540	2,376	4,248	2,844	4,980	3,336	5,736	3,840	6,546	4,404
Lima.....	1,500	1,008	1,848	1,236	2,172	1,452	2,472	1,656	2,676	1,788
Lisbon.....	3,420	2,292	4,104	2,748	4,812	3,228	5,544	3,720	6,336	4,248
Liverpool.....	3,096	2,076	3,732	2,496	4,380	2,940	5,028	3,372	5,736	3,840
London.....	3,096	2,076	3,732	2,496	4,380	2,940	5,028	3,372	5,736	3,840
Los Angeles.....	3,216	2,160	3,876	2,592	4,536	3,036	5,220	3,492	5,964	3,996
Melbourne.....	1,380	924	1,704	1,140	2,004	1,344	2,280	1,524	2,448	1,644
Mexico City.....	3,300	2,208	3,972	2,664	4,656	3,120	5,352	3,588	6,108	4,092
New York.....	3,024	2,028	3,636	2,436	4,260	2,856	4,908	3,288	5,580	3,744
Oslo.....	3,216	2,160	3,876	2,592	4,526	3,036	5,220	3,492	5,964	3,996
Port-of-Spain.....	2,544	1,704	3,072	2,064	3,600	2,412	4,140	2,772	4,668	3,132
Prague.....	3,264	2,184	3,924	2,628	4,596	3,084	5,292	3,540	6,036	4,044
Pretoria.....	2,616	1,752	3,168	2,124	3,720	2,496	4,260	2,856	4,812	3,228
Rio de Janeiro.....	3,144	2,112	3,780	2,532	4,428	2,964	5,100	3,420	5,808	3,888
St. John's.....	3,384	2,268	4,056	2,712	4,764	3,192	5,484	3,672	6,262	4,200
Santiago.....	2,340	1,572	2,832	1,896	3,324	2,232	3,816	2,556	4,284	2,872
Sao Paulo.....	3,300	2,208	3,972	2,664	4,656	3,120	5,352	3,588	6,108	4,092
Singapore.....	3,708	2,484	4,440	2,976	5,196	3,480	5,988	4,008	6,876	4,608
Stockholm.....	3,780	2,532	4,536	3,036	5,316	3,564	6,120	4,104	7,032	4,716
Sudney.....	1,860	1,248	2,268	1,524	2,664	1,788	3,048	2,040	3,372	2,256
Washington.....	2,940	1,968	3,540	2,376	4,152	2,784	4,776	3,204	5,424	3,636
Wellington.....	1,776	1,188	2,184	1,464	2,556	1,716	2,916	1,956	3,216	2,160

\* Married.

† Single.









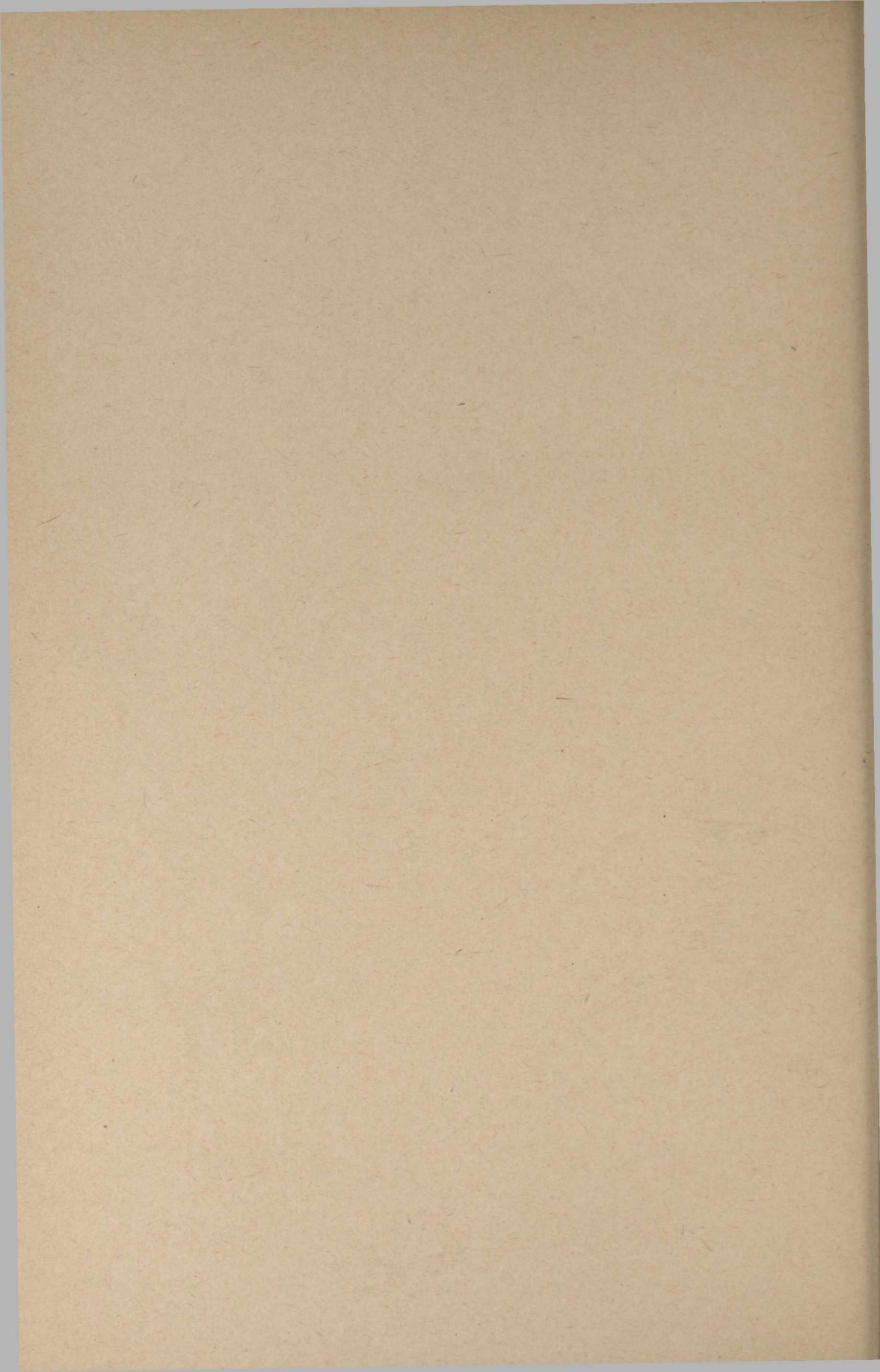














SESSION 1947-1948  
HOUSE OF COMMONS

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STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

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WEDNESDAY, JUNE 9, 1948

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WITNESSES:

- Mr. Eric W. Morse, National Secretary, United Nations Association in Canada;
- Mr. W. D. Matthews, Assistant Under Secretary of State for External Affairs (Administration);
- Mr. H. O. Moran, Head of the Economic Division;
- Mr. S. F. Rae, Head of the Information Division.

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
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1948







## MINUTES OF PROCEEDINGS

WEDNESDAY, June 9, 1948.

The Standing Committee on External Affairs met this evening at 8.30. Mr. Bradette, the Chairman, presided.

*Members present:* Messrs. Beaudoin, Benidickson, Bradette, Coldwell, Côté (*Matap-Matane*), Croll, Dickey, Fleming, Gauthier (*Portneuf*), Graydon, Hackett, Harris (*Grey-Bruce*), Jackman, Jaques, Leger, MacInnis, Marquis, Pinard, Reid and Winkler.

*In attendance:* Mr. Eric W. Morse, National Secretary, Major General E. L. M. Burns, Member of the National Executive, United Nations Association in Canada and Messrs. W. D. Matthews, Escott Reid, S. D. Hemsley, H. O. Moran, Head of the Economic Division, S. F. Rae, Head of the Information Division, Hume Wright of the External Affairs Department.

Item 57 was called.—Grant to the United Nations Association in Canada.

Mr. Eric W. Morse was called. He made a statement on the work of the United Nations Association in Canada and was examined thereon.

Mr. Morse was retired.

After a further discussion on the establishment of a National Commission on UNESCO, Mr. Fleming gave the following notice of motion:

That this Committee request the Government to appoint a National Commission in accordance with Article VII of the Constitution of the United Nations Educational, Scientific and Cultural Organization.

The Chairman read a letter from the Chairman of the International Relations Committee, National Arts Council under date of May 29 last favouring the establishment of a National Commission on UNESCO and requesting an appearance before the Committee.

The question of hearing representations from the Canadian Arts Council either in the form of an oral or a written submission was referred to the Steering Committee.

Mr. Matthews was recalled. He read a statement embodying information requested at the previous meeting by Mr. Fleming in relation to International Conferences. He was granted leave to make corrections in a previous statement printed in the minutes of proceedings and evidence as Appendix A (Page 123). He was questioned thereon.

Mr. H. O. Moran was called and examined on item 58, particularly with reference to the International Civil Aviation Organization.

Mr. Moran was retired.

Mr. S. F. Rae was called. He made a statement outlining the work of the Information Division and was examined thereon.

Mr. Rae was retired.

The question of inviting General MacNaughton, Canadian representative of the Security Council to appear before a Joint meeting of the Senate and House of Commons Committees was referred to the Steering Committee.

At 10.55, the Committee adjourned to the call of the Chair.

ANTONIO PLOUFFE,  
*Clerk of the Committee.*







## MINUTES OF EVIDENCE

HOUSE OF COMMONS,  
June 9, 1948.

The Standing Committee on External Affairs met this day at 8.30 p.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: Gentlemen, I will now call the meeting to order. Before we proceed, may I say you have no doubt realized that of my own volition I undertook a mission of mercy and I have returned minus a few feathers but with my spirit unbroken. I should like to take this opportunity of thanking our worthy Vice-Chairman for the fine work he has done. Several of the members reported to me that he had done better than I could have done, so I must thank him for his fine effort.

I should also like to take this first opportunity of complimenting Mr. Reid on his appointment as parliamentary assistant.

I know no one will have any objection if we call as our first witness Mr. Eric W. Morse, National Secretary, United Nations Association in Canada. Major General E. L. M. Burns member of the National Executive is also in attendance. I suppose this matter comes under item 57. After Mr. Morse has made his opening statement, I presume he will be open to questioning by members of the committee. You may remain seated if you desire, Mr. Morse.

### **Eric W. Morse, National Secretary, United Nations Association in Canada, called:**

The WITNESS: Mr. Chairman, I understand I may remain seated and be less formal. I was requested by the United Nations Association in Canada to seek permission to come before your committee to make a brief representation on two matters. I thank you for the opportunity you have given me to come before you.

The first of these matters concerns a national commission in Canada for UNESCO, and the second point concerns the annual grant, if that is open for discussion, to the United Nations Association. I am going to speak very briefly, leaving it to questions of the members to bring out the points in which they may be particularly interested.

First of all, as to the national commission for UNESCO: it seems to me this question has been up in the House on more than one occasion in the last year. Article 7 of the UNESCO constitution, if I may just quote one sentence says,

Each member state in UNESCO shall make such arrangements as suits its particular conditions for the purpose of associating its principal bodies interested in educational, scientific and cultural matters with the work of the organization, preferably by the formation of a national commission broadly representative of the government and such bodies.

I think the purpose in a nutshell is to provide a channel for these highly specialized and proper national bodies to have access to UNESCO and vice versa.



In the United States which, as a federation, I suppose is comparable to our own set of circumstances, the national commission consists of about 100 distinguished American citizens. It has two purposes. First of all, it acts as an advisory body on UNESCO matters to the American government and to the American delegations to the UNESCO Congress; secondly, it is a sort of connecting link between these very distinguished scientific, educational and cultural bodies in the United States, UNESCO and the American government. It is the link between all three. I thought it might be of interest to the committee if I quoted some of the typical organizations in the United States which are embodied in the national commission. There is the American Association for Adult Education; American Association for the Advancement of Science;—this is not an exhaustive list, just a few here and there—American Association of University Professors; University Women; The Chemical Society; American Council of Learned Societies; American Council of Education; American Farm Bureau; the Chamber of Commerce of the United States; the Congress of Industrial Organizations; The Farmers' Educational and Co-operative Union of America; The General Federation of Women's Clubs; The Social Science Research Council; National Research Council; Synagogue Council of America.

As I said a moment ago, the constitution of UNESCO stipulates that such arrangements are to be made as suit the particular circumstances of a specific country. Now, I understand that a national commission for UNESCO or some sort of co-operating agency has now been set up in some 20 of the 41 member states of UNESCO. I do not think we need to go into the whole list here but it is interesting to notice three or four groups of these.

We have, of course, the United States, Britain and France as one group. From western Europe, the following countries have set up national commissions: the Netherlands, Norway and Denmark; from South America, Brazil, Colombia, Peru and Venezuela. Other dominions which have set up these bodies include India, New Zealand, South Africa and Australia. As yet, there is no comparable body in Canada.

The United Nations Association and I, personally, in speaking publicly in Canada have been asked this question repeatedly, why not? Why is there not such a body in Canada? Last year, to give one illustration, at the request of the Department of External Affairs the United Nations Association convened in Toronto a conference of about 70 organizations, national bodies in Canada: the Legion, the National Council of Women, educational bodies, scientific bodies, cultural bodies, the Canadian Arts Council, 70 main representative organizations which we thought, potentially, were interested in the specific question of what should be Canada's share in the vast work of reconstruction in the devastated countries along cultural, educational and scientific lines.

This, of course, led to the setting up of the Canadian Council for Reconstruction through UNESCO, the C.C.R.C. The point I want to emphasize, sir, is that uppermost in the minds of these representatives and hundreds of thousands of Canadians was the question, what are we doing; what can we do in Canada towards setting up a national commission for UNESCO. Now resolutions have been sent from many of those to the government. We too, not having any illusions on the subject of resolutions, have made representations—representations by way of resolutions which we passed at our annual meeting only last month and this resolution I will read because it is brief and it is typical of many of the resolutions.

The annual meeting reaffirms the earlier resolutions of the association advocating the establishing of a national co-ordinating body for UNESCO in keeping with the terms of Article 7 of the UNESCO Constitution: and



—considers that only through such a national co-ordinating body can the interested Canadian agencies, including this association, co-operate effectively in the many activities of UNESCO which concern Canada.

My association does not put this forward as being a commitment that Canada has failed to honour. We realize, as Right Honourable Mr. St. Laurent said in the House that it is permissive and not mandatory—"may set up"—but we do feel in the United Nations Society that it is inaction in view of what is being done in other parts of the world, and it is not worthy of Canada in view of what other nations have come to expect of us in such matters, besides being contrary to the interests of a great number of Canadians. What are the obstacles in the way of setting up a national co-ordinating body? One that is encountered is that education is not a federal matter and provincial prerogatives stand in the way. I think we can all agree that if the provincial departments of education were given adequate representation, and there would be representation, there would be no obstacle. In the minds of the government it seems to be a question of priorities. I quote from the minister's statement in the House when he was asked by a member of this committee what the government was doing. Mr. St. Laurent said: "Unfortunately, for quite a considerable time now there have been problems which, without in any way detracting from the importance of UNESCO, have appeared to the department to be entitled to priority, and have prevented full consideration being given to the appointment of this commission. In the meantime the department is providing the channel of communication between UNESCO and the various educational, scientific and cultural bodies co-operating with the government and with organizations in this country." Mr. St. Laurent says the Department of External Affairs is doing its work. It is no reflection on the department but I think we must emphasize this is only a stop-gap. It is not a solution we deserve and it is not the solution we ought to have in Canada. If the question of priorities is an obstacle can we not do anything in this committee to raise the priorities in this matter? Expanding on our generally phrased resolution, the United Nations Society wants to urge this committee to give consideration specifically to recommending what necessary steps we can take (a) approaching appropriate educational, cultural, and scientific organizations in Canada such as we have stated as well as federal and provincial departments of education, to set up some co-ordinating body; (b) to simply provide a small secretariat. The United Nations Association emphasizes we should feel our way and tread cautiously but we should tread, and we do press for action, if possible, now, since it is three years after San Francisco and a long time has elapsed since we ratified the constitution of UNESCO. On the question of the grant, Mr. Chairman, I do not know whether it is open to discussion and I understand you had a discussion on this matter the last time, but I might say there is a grant made to the United Nations Association in the sum of \$3,000. That is a carry-over from the old League of Nations Society grant. I appeared before this committee in 1946.

Mr. CROLL: The grant is \$5,000 this year.

The WITNESS: When I appeared then I ended with these remarks and I will quote: "I wish also to emphasize our desire for complete independence if possible, in the honest belief that it is in the best interests of this work to be independent at all times. There is, however, a real urgency. We have lost time, and we are continuing to lose time the further we get from San Francisco. The public needs a large educational campaign, which requires a lot of money. If we fail to do what is necessary during the next year or so, we must reassess the whole situation; but we are hopeful that we can continue along those lines.



The most important thing today is that this work has to be done by somebody. If we cannot do it this way we must try by some other."

I do not think it would be appropriate to take the time this evening, since the work of the United Nations Association has been reviewed quite completely before this committee during the last two years, to go into that matter, but I would like to mention the association has considerably improved its financial position since the appearance two years ago. Just the same, our total national budget for this work of public education, for the development of national understanding and public opinion in the form of lectures and so on is only \$20,000. There is, however, a great deal that is not being done because of lack of funds. The educational work in the universities and high schools, the work in the press, which is only just beginning does require funds. We made a request last year, having in mind the fact that we were not getting the voluntary public response which we require, that \$10,000 be the size of the grant but it was still cut to \$3,000. This year, I understand that the item has been put in the estimates at \$5,000. There is a very considerable handicap in that we are prejudicing the work of education by having to go around repeatedly, hat in hand, requesting other organizations and people to supply more money. It may interest this committee to know that in Australia the government has recently raised its grant to \$10,000 to the Australian United Nations Association. I would like to suggest that if anything can be done at this stage the amount of money being spent, even at \$5,000, is not proportionate to the amount of work to be done in this field. I would be very glad now to answer questions.

Mr. REID: I was not present when this gentleman was introduced. What position do you hold at the present time?

The WITNESS: National Secretary.

Mr. HARRIS: National Secretary of the United Nations Association in Canada.

The CHAIRMAN: Are there any questions?

Mr. COLDWELL: What size of staff have you to carry on this important work?

The WITNESS: The national office staff consists of five. We have three permanent secretaries, one in Vancouver, one in Montreal, and one in Toronto. You are referring to paid staff?

Mr. COLDWELL: Yes, paid staff.

*By Mr. Croll:*

Q. The total budget is \$20,000?—A. About \$20,000.

Q. Which you raise yourself. Does that include the \$3,000 which is given to you by parliament?—A. That includes the \$3,000. The rest, over and above the \$3,000 dominion grant, is raised, a share through memberships and the rest is made up by large corporations. Some of the bigger contributors are Simpsons Limited, Canada Packers, Toronto Elevators. They give us \$500 or \$1,000.

Q. Do the provincial governments give you any grants?—A. None whatever. We do feel that we do not want too much money for obvious reasons. When dealing with public opinion it is not well to have too heavy an appropriation and it is well to be reasonably independent, but we do need more money.

*By Mr. Reid:*

Q. What countries have you in mind?—A. This is public opinion in Canada. It is developing informed public opinion in support of United Nations and international co-operation in Canada through every means we can, radio, movies, meetings, discussions, speakers' bureaus.



*By Mr. Croll:*

Q. \$10,000 out of \$20,000 would be a little disproportionate for a body such as yours having in view what you said a minute ago.—A. I do not think so. You see our budget has gone first from \$7,000 to \$15,000 and last year to \$20,000. I think there is a reasonable chance of our making it close to \$30,000. Out of that budget \$10,000 would not represent more than one-third, and I do not think it would be disproportionate. I would not like the committee to look upon it as a regular grant permanently for that, but sort of a pump-priming proposition.

Q. That is not our experience. You will be back next year asking for \$12,000.—A. I do think the urgency is particularly great right now. It is publicity work.

*By Mr. Reid:*

Q. What did you say they were doing in the United States along the same lines?—A. The work I was discussing in the United States first of all was the national commission for UNESCO. Now we have switched to the work of the United Nations Association.

Q. I would think people there would need more education than our people here.—A. They have their own association there.

*By Mr. Coldwell:*

Q. Can you tell us something of what you do in the way of issuing informational material like you issue a bulletin?—A. Yes. What is issued by the association on that limited budget is pretty small. We put out United Nations News which is a monthly bulletin. I had a copy here a moment ago. This little bulletin of only about 16 pages, the United Nations News, goes out to our membership, and a certain general distribution list. We have started within the last two months to put out a series of releases to weekly newspapers feeling that the weeklies have less newspaper shortage, a little more space and are a little less sensational, and it is meeting with a very good response, on what Canada is doing at the United Nations, particularly in the Security Council and in other fields since we have come into the Security Council. There is a weekly release which goes out to 700 weeklies across the country. Those are the only two things we have produced because production is a pretty heavy item in a budget. That is one of the heaviest things.

Q. That is what I had in mind. On a budget of the description you have mentioned you could not issue very much.—A. No.

Q. You mentioned films. Have you a film library?—A. We use films put out by the National Film Board, imported from the United States, from the United Nations, from whatever source we can on international understanding, other peoples' points of view, not just United Nations but international affairs generally. There is an increasing film library. We distribute films and advertise and recommend films.

Q. Have you any projectors yourself?—A. We have projection facilities in all our branches right across Canada on loan. We do not own very many ourselves. One thing that might interest the committee is that within the last year or so the United Nations Association has stressed more and more that we do not want to get at the people who come to our meetings. We do not want to put on a series of little meetings. When you do that we just get the converted. We want to get it to the people who do not come to those meetings. We want to have speakers' bureaus and go out to other organizations, posters, literature, every means to get to the people who do not ordinarily come into contact with international affairs. That is where we spend most of our efforts and most of our money.



*By Mr. Reid:*

Q. Have you given any consideration to joining with the National Film Board in its efforts which they have been carrying on in the country districts? There are individuals who undertake to put on films, and if you could educate the common people it might be of some help. I think you should join with the National Film Board instead of starting a new organization.—A. This is not a new organization.

Q. Instead of starting a separate one and running your own show?—A. That is only one very small aspect of it though, and we do try to co-ordinate all these activities.

*By Mr. Fleming:*

Q. You would be quite prepared to have all members of parliament as members of the association, too?—A. Yes, we would be very pleased.

Q. Would it be embarrassing to ask you how many members of parliament are members of the association?—A. About 25.

Mr. HARRIS: The phrase is not well chosen.

*By Mr. Jacques:*

Q. Is it merely information or have you a policy of your own you are pursuing? Whatever is happening in the United Nations do you just report the actual proceedings or do you attempt to interpret those along the lines of some policy which you are pursuing?—A. I see there are quite a number present who were not here before, so I will explain the situation. There are two aspects of that work. The first is straight educational work on international affairs, on what is going on at United Nations, on getting to understand other peoples' points of view. To that extent we report what is being done at United Nations in the economic and social spheres, and particularly try to use the lever of Canadian interest in what their country is doing at United Nations. That is one aspect of the work very briefly.

Then there is also the work of giving leadership to Canadian public opinion and tapping Canadian public opinion through large meetings, debating hot issues while they are hot, issues that are before the United Nations, and having meetings across the country and trying to size up what opinion is. There are both aspects to the work.

Q. Then the real idea is to mould public opinion, is it, along certain lines?—A. We find the big obstacle in Canada is that people, as compared to the League of Nations days, are sold generally on international co-operation as being the way out, but it is apathy, not antipathy to the idea of international co-operation we are trying to cope with.

Q. The point I am trying to get at is that in all these international questions as with all national questions there are at least two sides.—A. Yes.

Q. The point I am trying to get at is simply this. Is the idea to present both sides?—A. Yes, definitely.

Q. Without any bias, and leave the public to form their own opinion, or is the idea to mould public opinion along certain lines?—A. We feel Canadian self-interest in the matter of the United Nations is so pointed and so obvious we do not have to mould Canadian public opinion along that line, but we do have to try to get them interested in what their own country is doing and saying, and where hot issues come up we try to give leadership and mould public opinion, but necessarily a small organization like this cannot do as much to mould public opinion as it can to educate public opinion, and inform it and let them form their own opinions. I think if you do attempt to do too much work in this moulding you will not be as broadly based which is necessary in this work, to have all parties, all creeds, all points of view represented. The



understanding of other nations' points of view, international understanding, Canada's foreign policy and our own self-interest all come into that. I think that is more important than the work of moulding on specific issues, but there are both aspects.

*By the Chairman:*

Q. You are aware of the resolution that was accepted by Canada last fall at Flushing Meadows. Will that run on parallel lines with your organization or will there be any conflicts at any stage of the activities?—A. I am glad you brought up that point as to the recommendation of the United Nations that teaching for international understanding be introduced into the high schools and universities. The United Nations Association is doing all it can as soon as it lays its hands on the funds to set up and, in fact, we have set up an educational committee consisting of members of the association, of the Teachers Federation, of the Canadian Educational Association, and of departments of education across the country to co-ordinate teaching of international understanding and introduce the United Nations as a separate topic on the curriculum on the world point of view into social studies and all other subjects we can, and to work out curricula. There is a very big work to be done there in co-ordinating that across the country.

The CHAIRMAN: Are there any further questions or statements any member of the committee wants to make?

*By Mr. Jaques:*

Q. What is the ultimate goal of this organization? Is its aim to work for world government?—A. The organization is tied in to an interpretation of what the United Nations is trying to do. To that extent it might be said that world government is the ultimate end in mind; but there is a world government association trying to mould public opinion in Canada toward world government. Now, we are not out for that. We are trying to work toward practical realities, dealing with the United Nations and things as they are.

Q. That is what I meant. When we begin teaching in schools and so forth, then world government would be the fundamental principle of that?—A. I suppose ultimately, but it is primarily international understanding at this stage, and developing the world community itself as a basis for world government. It may be generations off yet, but the immediate basis is for better understanding of the world community and world point of view.

The CHAIRMAN: I do not think teaching in the schools is the idea of publicity of the kind the witness has outlined to us. It is more a matter of information about what the United States is doing for the benefit of schools

Mr. JAQUES: Yes, if you put it that way. I understood the witness to say that they were bringing information to the schools and I wondered what his ultimate purpose was. If it is merely reporting what actually happens at the United Nations or whether it is definitely propaganda for a certain object, such as one world government.

The WITNESS: Our propaganda is not for world government, it is for international understanding at this stage.

Mr. CROLL: Propaganda is a hard word to use. You are a home and school club on a large scale. That is all.

Mr. JAQUES: We might as well be frank about it.

Mr. CROLL: What?

Mr. JAQUES: I say, we might as well be frank about it.

Mr. REID: This request for a sum of money; \$20,000 wouldn't begin to do it. If you had \$5,000,000, if you are going to educate the people of this country



in foreign affairs, why you are just playing; in my opinion you are wasting time at \$20,000; not scratching the surface for a country with twelve million people.

Mr. CROLL: But we don't want to educate them all in one jump.

Mr. REID: I mean, just getting the information to the people.

Mr. CROLL: They are doing a good job.

Mr. FLEMING: Yes, they are.

Mr. CROLL: And they are only asking for \$10,000 at this time.

The CHAIRMAN: My attention has been called to the fact that this is not the time to discuss the details of the appropriation. It is suggested that members may like to ask questions, and they would be in order at the present time, but we will come to a discussion of the estimate itself at a later stage when we have finished with the witnesses.

Mr. MACINNIS: Mr. Chairman, if we approve of the work of the United Nations Association and what it is attempting to do perhaps the committee will undertake, not that the committee has any power to put anything in the estimates, but perhaps we could make recommendations—

Mr. CROLL: General Burns may wish to be heard yet before we finish.

Mr. MACINNIS: That is O.K., let's hear him too. I think if the committee is of the opinion that the United Nations Association is a voluntary organization and doing worthwhile work in making the work of the United Nations and the desirability of co-operation between or among nations effective then we could suggest to the government that we believe this is a worthy work and that the grant could be raised; they could take our advice or not, as they choose; I think in reporting to the House that the committee could make a report at that time. What is the amount in the estimate, is it \$3,000?

Mr. HARRIS: It is \$5,000.

Mr. CROLL: It was raised from \$3,000 to \$5,000 in the estimates, and Mr. Morse has said that they need \$10,000. Perhaps we could meet them halfway.

Mr. MACINNIS: I would not object to \$10,000; or, split it—say take the \$3,000 and bring it up to \$8,000. I think that the United Nations Association is doing a good work, but it is seriously limited by lack of funds.

Mr. CROLL: Will you move that, Mr. MacInnis?

The CHAIRMAN: I believe it would be better to discuss that in the absence of Mr. Morse.

Mr. CROLL: All right.

Mr. DICKEY: I was wondering how many members you have in your organization now?

The WITNESS: About 5,000.

Mr. COLDWELL: Twenty-five of whom are members of parliament.

Mr. CROLL: We are getting our education on the floor of the House.

Mr. FLEMING: We are getting more than education on the floor of the House.

The WITNESS: We solicit all members of parliament.

Mr. CROLL: You are after them for the want of anything better.

Mr. COTE: Have you made any special canvass of members of the House?

The WITNESS: We have not made a drive to get them. We just feel that members are especially desirable as they are natural leaders of public opinion.

Mr. COTE: What is the relationship between members and your committee?

Mr. HARRIS: The friendliest relations possible.

Mr. COTE: Yes, I know that. I would like to have the answer from the witness.



The WITNESS: Do you mean with this committee?

Mr. COTE: Or, this committee.

The WITNESS: The relationships between the United Nations Association and this committee have always been the very best. I might say so far as the United Nations Association is concerned, we have looked to this committee and have always obtained a hearing here and worked closely with the individual members of the committee. We have officers in the association from this committee.

Mr. FLEMING: Hear, hear.

The WITNESS: And the relationship has been very cordial on our part. I can only speak for the association.

Mr. GRAYDON: I think if all members of the association displayed the energy and capacity of its secretary whom we have had appearing here it would be doing good work. He has been doing a remarkably fine job, and I think there ought to be some public tribute paid to him. It is very difficult work, carrying on all the activities of an organization of this kind and at the same time trying to find ways and means of carrying on without knowing where the next dollar is coming from. He certainly needs sympathy, and I can assure him of our appreciation for the work he is doing. After all, about all this committee can do is to give him sympathy.

Mr. CROLL: And we can recommend.

The CHAIRMAN: As I said, we will discuss that at a later time. I believe I am voicing the sentiment of all members of our committee, Mr. Morse, in thanking you for your appearance here this evening and putting your case before us.

The WITNESS: Thank you very much, Mr. Chairman. May I in closing say a word about the pleasant relationships we have always had with the Department of External Affairs and about the close co-operation with which we have always worked with them, because we are just across the street from each other and working very closely, and more and more so. Thank you very much, Mr. Chairman, for this opportunity.

The CHAIRMAN: If the members will allow me to read you a letter which was sent on the 25th day of May. It reads as follows:

Mr. FLEMING: Pardon me, Mr. Chairman; I would just like to make this observation at this stage in connection with the first matter which Mr. Morse brought to our attention, The National Commission on UNESCO. I am afraid that I might otherwise overlook it so I would like to give notice of a motion now. I think the committee should request the government to appoint a national commission in accordance with article 7, of the Constitution of the United Nations Educational and Scientific Association. I give formal notice of motion at this time so it will not be overlooked.

The CHAIRMAN: The next item on agenda is information to be tabled by Mr. Matthews, which was requested by Mr. Fleming. Mr. Fleming asked for a breakdown of expenditures for international conferences, and other information. I will call Mr. Matthews.

**W. D. Matthews, Assistant Under Secretary of State for External Affairs (Administration), called:**

The WITNESS: Mr. Chairman, Mr. Moran is here to talk on IACO and Mr. Rae is here to speak on information, so I do not want to take up any more of your time than is necessary. I have the information which Mr. Fleming asked



for at the last meeting covering all the major expenditures for representation at international conferences for the last year, and all the major conferences that we anticipate will be charged to that vote this year. That is vote 61. I can read this table into the record or just hand it in, as you prefer?

Mr. FLEMING: I suggest that you read it into the record, if it is not too long.

The WITNESS: The main expenditures last year were expenditures in connection with our representation at the following conferences:

#### EXTERNAL AFFAIRS TREASURY

Statement of Expenditures—Final 1947-48

##### *Canadian Representation at International Conferences*

	Totals
Atomic Energy Commission—New York .....	\$ 27,629 99
Economic and Social Council—New York .....	19,028 34
International Trade and Employment Conferences—Geneva ....	107,418 17
Red Cross Conference—Geneva .....	1,376 06
United Nations Assembly .....	102,802 19
International Civil Aviation Organization Conference—Montreal	1,217 02
International Telecommunications Union World Conferences— Atlantic City .....	7,866 86
International Wheat Council—Washington .....	509 44
Canada-Newfoundland Conference .....	5,942 85
International Refugee Organization .....	3,953 48
Palestine Questions .....	174 13
Fourth Meeting of the Interim Commission of the World Health Organization—Geneva .....	3,654 64
Unclassified Conferences .....	8,293 95
Canadian Group to Japan, July 23 to Sep. 2, 1947 .....	6,122 49
Commonwealth Conference at Canberra .....	8,240 92
United Nations Educational, Scientific and Cultural Organiza- tion—Mexico .....	8,909 16
Multilateral Air Conferences .....	6,093 74
Food and Agricultural Organization .....	251 00
International Trade and Employment Conference—Havana, Cuba	43,561 32
Fifth Meeting of the Interim Commission of the World Health Conference—Geneva .....	2,251 68
United Nations Conference on Freedom of Information and of the Press—Geneva .....	2,652.12
	\$367,949 55

The main conferences which we now anticipate for the current fiscal year are as follows:

#### INTERNATIONAL CONFERENCE LIST

<i>Conference</i>	<i>Place</i>	<i>Date and Probable Duration</i>
1. Atomic Energy Commission.....	N.Y.	Continuous
2. Interim Comm. of the General Assembly..	N.Y.	Jan. 5 and periodically thereafter
3. United Nations Security Council.....	N.Y.	Jan. 7 and continuously thereafter
4. Commission for Conventional Armaments. (Gen. McNaughton) .....	N.Y.	Jan. 12 and periodically thereafter
5. United Nations Temporary Commission on Korea .....	Korea	Jan. 12 and continuously thereafter
6. United Nations Conference on Freedom of Information and of the Press.....	Geneva	Mar. 23rd to April 21st
7. Economic and Employment Commission Third Session .....	N.Y.	Apr. 19th to Apr. 30th
8. Statistical Commission of Economic and Social Council—Third Session.....	N.Y.	Apr. 26th to May 7th
9. Commission on Narcotic Drugs.....	N.Y.	May 3rd to May 14th
10. Sixth Part of First Session of Preparatory Commission of I.R.O.....	Geneva	May 4th
11. Population Commission—Third Session— (Economic and Social Council).....	N.Y.	May 10th to May 21st
12. Facilitation Division I.C.A.O.....	Geneva	May 17th
13. Sub-Commission on Freedom of Information and of the Press (Third Session).....	N.Y.	May 31st to June 11th
14. General Assembly of I.C.A.O.....	Geneva	June 1st to June 21st
15. Economic and Social Council—Seventh		



Conference	Place	Date and Probable Duration
Session .....	Geneva*	July 19th to Aug. 13th
16. Contracting Parties to the General Agreement on Tariffs and Trade .....	Geneva	August 15th
17. Interim Committee of the International Trade Organization .....	Geneva	August 22nd
18. General Assembly of the United Nations ..	Paris	September 21st
19. United Nations Educational, Scientific and Cultural Organization .....	Beirut	Oct. 14th to Nov. 6th
20. Conference on Passport and Frontier Formalities .....	Geneva	Late November

Mr. FLEMING: There are no items opposite those conferences for this year, are there?

The WITNESS: No. There is one other statement I would like to make, if you will give me a moment. On reading over the evidence I gave at the last meeting on allowances, I gathered the impression that I might not have given a picture that told the whole story. We were talking there of the minimum allowances for a married third secretary of \$1,500, and going up to a maximum of \$7,500 in Caracas. When I got back to the office I worked out the number of people whom we pay at the different posts grouped according to the allowances paid to a married third secretary, and actually the allowances from our department are almost all in the lower part of that schedule. For instance, if you take the group of posts where the allowance for the married third secretary is under \$3,000, we have 25 officers receiving allowances under the schedule tabled at the last meeting; between \$3,000 and \$3,500 we have 24 officers; between \$3,500 and \$4,000 we have 8 officers; between \$4,000 and \$4,500 we have 1 officer, and \$4,500 and up we have none. This schedule covers posts where there are offices of the Department of Trade and Commerce and of the Department of External Affairs and it so happens that the Department of External Affairs posts do not include those in the top bracket, such as Caracas.

*By Mr. Fleming:*

Q. May I ask one question about the appendix to the statement which was added to the minutes of the last meeting. It is on page 123, Mr. Matthews, of the minutes of the last meeting. I do not know whether you have seen it?—

A. Yes, I have it in front of me.

Q. I want to be clear on this, does it include any remuneration?—A. No, it does not include salary.

Q. It is living allowance?—A. Yes, living and representational allowance.

*By Mr. Cote:*

Q. In other words, Mr. Matthews, with that scale of salaries, are you not bound to get people who have independent means or people who are really not interested whatever in money matters? If you will allow me to make myself clear, you are calling upon a very special category of people, the most fortunate people in this country. I am referring to the sons of the wealthy families who can afford to give their sons an endowment and say, "Now, you go to this department. There is no need for you to worry about money. The only thing I am asking you to do is to get established."

There is another class of man in your department, I know many of them. They are men of great intelligence, the intelligentsia of this country. They say, "Well, I do not give a hoot about money; I am willing to strive and starve." The result is that you have, on the one hand, fils à papa, and, on the other hand, very brilliant men who are of the same level as these fils à papa?—

A. What we are endeavouring to do in these allowances is to make it possible for a person without any independent means to carry on his job at a post. I

\*Tentative



think one thing which bears that out—I would not feel like going into details on it—is the fact there is a very small percentage of our officers in the department who have any independent means whatever. This makes me feel we have been successful in making it possible for a person who is suitable for the task to carry it out, even though he has no means whatever other than his salary and allowances which are provided by the department.

*By Mr. Fleming:*

Q. It would be a great pity if the impression ever got abroad that a career in the Department of External Affairs was open only to the sons of rich men? —A. There is no doubt that is not the case, because only a small fraction of our people have any independent means whatever.

The CHAIRMAN: Thank you, Mr. Matthews. I will now call upon Mr. Moran, head of the Economic Division, Department of External Affairs.

**H. O. Moran, Economic Division, Department of External Affairs, called:**

The WITNESS: I understand the prime purpose of being here is in connection with the work of ICAO. I do not, in any way, come here as an expert on civil aviation. However, the international aspect of civil aviation falls within the economic division of the Department of External Affairs. I would not want to take the time of the committee in outlining the structure of ICAO or its background as the members are probably already familiar with it, although I would be quite prepared to do so if it is the desire of the committee. It is my understanding there are some specific questions to which answers are required.

*By Mr. Fleming:*

Q. I think I am responsible for asking those questions. We have before us an item showing Canada's contribution to the International Civil Aviation Organization of \$125,000.

Mr. HARRIS: \$25,000. It is on page 9 of your estimates.

*By Mr. Fleming:*

Q. It is \$125,000 on the sheet we have here. However, whatever it might be, I asked at the last meeting, Mr. Chairman, if we might have some statement of what has been accomplished through ICAO during the past year. We had expenditures—I had better not quote this reproduction of the estimates because its accuracy has been questioned.

Mr. ARSENAULT: You are quite right. We were looking at one estimate, you were looking at another. There is \$25,000 in the main estimates.

Mr. MATTHEWS: The item in the estimates for the current year is \$25,000. It is for the expenses of the Canadian delegation to ICAO in Montreal last year. The \$125,000 item was our contribution or our share of the expenses of ICAO. There is no similar item in the main estimates this year because we have not yet received the estimates from ICAO. There will be one, however, in the supplementaries which go forward this month or in March.

Mr. COTE: What is Canada's contribution towards the building of the ICAO building.

Mr. MATTHEW:: Well, my understanding is that ICAO now rent space and will do so in the future. I do not think they are building a building. I understand there are negotiations underway for leasing space from the Canadian National in Montreal, but there is no building being put up by ICAO.



*By Mr. Fleming:*

Q. I think this organization is a matter of special interest to Canadians, partly because of the place Canada holds in international aviation and partly because Canada is the home of ICAO. This is the one international organization for which Canada is the home country. I thought we ought to hear something of what has been accomplished or attempted through ICAO during the past year if we are going to be called upon shortly to vote an additional appropriation?—A. It is rather difficult to point to accomplishments in an organization like ICAO in any one year because, being a technical organization, the development of its work is in many cases long-term but I would think that among matters that stand out during the past year is the adoption, by the agreement of all 48 member nations, of an international code for civil aviation. It is a sort of "rules of the road" for air travel. Standardization of charts and maps, uniformity in meteorological codes—

Mr. HACKETT: What kind of codes?

The WITNESS: Meteorological codes, and the development of standard equipment are other accomplishments of the past year. One of the things that caused considerable difficulty in air travel has been some of the radio aids to civil aviation, for instance the distance measuring instruments in various countries were operated on different megacycles. During the past year it has been possible to standardize these distance measuring aids which means that it will be more economical for all countries because it will be unnecessary to carry two or three different types of sets for landing purposes. The organization also acts as a court of appeal for disputes which may arise on matters of civil aviation between any two countries which find themselves unable to settle their differences. A number of matters referred to ICAO have been decided satisfactorily. Some progress has been made towards drafting a multilateral agreement.

Mr. BENEDICKSON: Is that with respect to rates?

The WITNESS: Rates are handled by an organization known as the International Air Transport Association which has also established its headquarters at Montreal in order to be in constant liaison with ICAO. Its membership is comprised of some 70 transport associations, who, among themselves, agree on rates to be charged. Rates are a subject outside of this organization—

Mr. HACKETT: If MacGregor hears about that they will be in for trouble.

Mr. CROLL: They will also be in trouble if they put on a mountain differential.

The WITNESS: Actually that organization is not confined exclusively to governments and any transport association may become a member of IATA, so it is not in any way a combine.

Mr. COTE: Do you mean to say your organization is open to CPA or organizations like CPA?

The WITNESS: No ICAO is an organization composed of exclusively government memberships but a moment ago we were speaking of the International Air Transport Association.

Mr. COTE: I know.

*By Mr. Fleming:*

Q. Have you made any progress during the past year toward the agreement? If I recall it there were five freedoms?—A. Yes.

Q. You did not get general agreement on all of those freedoms but I think you got agreement on only two. Has there been any progress made during the



past year?—A. I think it is probably fair to say the general agreement has been extended to four freedoms and one remains. The fifth freedom is the right to pick up passengers—

Mr. FLEMING: Would you just explain those various freedoms?

The WITNESS: The first freedom is the right to fly over a country; the second freedom is the right of non-traffic stops—the right to land for the purposes of repair or refuelling but not to pick up passengers; the third freedom is the right to lift passengers from the country of the 'plane's nationality and fly them to a foreign country; the fourth freedom is the right to pick up passengers in a foreign country and lift them to the country of the 'plane's nationality; the fifth freedom, on which there is not yet general agreement, is the right to pick up passengers in a foreign country and to transport them to a second foreign country. That would be a case, for example, of a United Kingdom 'plane picking up passengers in New York and flying them to Montreal.

Mr. COTE: Your organization only deals with governments? You are not dealing with CPA or similar airlines, for instance?

The WITNESS: No.

Mr. BEAUDOIN: Trans-Canada Air Lines is the only company in Canada which can make international contracts.

*By Mr. Jaques:*

Q. Are all countries members of the organization?—A. No, there are some 48 members.

Q. Is there any reason why all countries are not members?—A. Some of them do not operate an air service outside of their own country. Soviet Russia is not a member; Greece is not a member.

Mr. BEAUDOIN: Spain is not a member.

Mr. JAQUES: Are there any countries which are prevented from becoming members who would be members if they were allowed?

The WITNESS: Spain is probably an example of a country which might become a member.

Mr. COTE: As long as the international body takes that attitude toward newcomers I do not think they would belong.

Mr. CROLL: You do not deny membership to any country?

The WITNESS: No.

Mr. COTE: I suppose what applies to Canada applies to other countries in the world?

The WITNESS: Yes, membership is open to any country. I mentioned the U.S.S.R. as a country which is not a member at the present time.

Mr. JAQUES: Russia is not a member through her own choice.

The WITNESS: Of her own choice. The council of ICAO has 21 seats and during the first year of the organization only 20 seats were filled. One seat was left vacant with the thought in mind that the U.S.S.R. might wish to join and as a major country would be entitled to a seat on the council. At the end of the year when the Soviet had not indicated any desire to join the other seat was filled by election.

Mr. COTE: I do not understand this exactly. As far as your organizations are concerned, air lines such as CPA in Canada, and similar air lines in other countries, have no chance to belong to the organization unless they are recognized as being air lines on a national basis?

The WITNESS: On a national basis there are no bars to membership.

Mr. JAQUES: None?



*By Mr. Fleming:*

Q. Which countries among the eastern European countries are members? There are one or two of them on the council?—A. Yes.

Q. Is not Poland on the council?—A. No, I do not think Poland is on the council. I am afraid I cannot give you the names of the 21 countries on the council. I can get them but I have not them in my head.

Q. I will not pursue that but I wonder if you would say a word further about the third and fourth freedoms. You say it is a matter of general agreement but has a formal agreement been entered into on the third and fourth freedoms?—A. Yes, on a bilateral basis.

Q. It is not on a general basis?—A. It will be incorporated in a multilateral agreement once one has been developed. At the moment, without a multilateral agreement, negotiations between countries covering air services is by bilateral agreement. All the bilaterals that Canada has signed cover the first four freedoms.

Q. How many of those bilaterals has Canada signed?—A. There are eight now in effect, and some under negotiation that probably will be signed shortly.

Q. Can you give us the countries with which these have been entered into?—A. I do not think I can. I may have a list of them.

Q. Or the principal ones?—A. The last one to be signed was with the Netherlands. One has been signed with Sweden. One is under negotiation with Peru. Brazil is studying our draft of a bilateral agreement as is Cuba. Belgium has discussed with us an agreement on a five freedoms basis. The Argentine in December, 1947, proposed an agreement with Canada, and Canada signified its willingness to enter into negotiations. Since then there has been no further approach from the Argentine and the interest lies on their side because there are no Canadian services as yet to South America.

Q. In answer to my question can you give the countries with which Canada has signed an agreement?—A. I am afraid I do not carry those in my head either, but I can table them.

Q. The United States and Great Britain?—A. Yes.

Q. What about Mexico?—A. No.

*By Mr. Cote:*

Q. Do you mean that an agreement can be made between one nation and another without passing through what I would call the clearing house?—A. ICAO must be notified whenever a bilateral agreement has been signed and a copy of the agreement tabled with the organization.

Q. But ICAO does not clear it?—A. In advance of signature?

Q. I should like to know the whole procedure. I should like to know whether it is a clearing house or whether it is only a registry office?—A. At the moment it is a registry office.

*By Mr. Hackett:*

Q. There is no freedom which enables a nation to do the type of service which would carry goods or passengers from one place to another within a country of which it is not a national?—A. No, sir.

Q. That would be a matter of private—. —A. That is known as cabotage, and is not permitted in any agreement Canada has signed.

Q. Will you say if the general rules are based upon or have anything similar to the rules which apply to maritime craft as regards the coastal service, for instance?—A. Coastal service within a country would be a form of cabotage in air service which is not permitted.



Q. I am asking you if the rules in the air service are based to any extent upon maritime rules?—A. Not to my knowledge. I am not particularly familiar with maritime rules. If you have any particular rule in mind probably I could answer whether its equivalent can be found in the air rules.

Q. I was thinking of the coastal service?—A. Coastal service between New York and Halifax in shipping would find its counterpart in air service between New York and Montreal.

*By the Chairman:*

Q. Does ICAO issue monthly or yearly reports of their activities?—A. Yes, they put out bulletins of their own the latest of which is a pamphlet entitled, "What is ICAO", and which covers the organization's operations in a very general way from the time of the Chicago convention in 1944, when ICAO was born, up to date, but in addition reports of their assembly meetings are also published and are available.

*By Mr. Benidickson:*

Q. What Canadian companies are members of that rate fixing organization you mentioned?—A. T.C.A.

Q. T.C.A. only?—A. Yes.

*By Mr. Cote:*

Q. Are there any private enterprise or so-called responsible enterprise companies represented in the various countries belonging to ICAO?—A. ICAO is an organization composed of representatives of Governments.

Q. But what I am interested in, for instance, is if instead of being represented as Canada is with T.C.A. would there be any nations represented by organizations similar to C.P.A.?—A. Not in the organization as such, but at the general assembly meetings a country's delegation may have included among its advisers individuals who are officials in some private aviation company.

Q. Have you any nations in mind at all?—A. The United States.

Q. Of what organizations would those officials be members?—A. Any official of a private aviation company in the United States might be—

Q. But actually who would represent private industries or responsible private industries for the United States?—A. I probably have not made myself clear. There is no representation on ICAO of any private enterprise or private organization, none.

Q. They are all national representatives?—A. That is right.

Q. And of national enterprise?—A. That is right.

*By Mr. Benidickson:*

Q. Could T.C.A. withdraw from that rate fixing combine without embarrassing Canada's position in ICAO?—A. It is probably not fair to describe it as a rate fixing combine. It is a body which brings together experts in international civil aviation to reach agreement on what are fair and equitable rates.

Q. If the eye glass people did that I think they would be accused of a combine.

*By Mr. Hackett:*

Q. Following the question of Mr. Benidickson is there any tribunal to which a dissatisfied carrier might appeal if he did not feel that this—I will use any word you like instead of combine—was not giving him satisfaction?—A. Yes. There are two things possible. I think we might first clarify what this organization does. This is a body which convenes around a table experts who



are able to bring their expert knowledge to bear on the question of rates so that agreement can be reached among the participating countries. In the event that rate charges—

*By Mr. Benidickson:*

Q. Did you say countries or companies?—A. Countries. In the event that a country has some dispute about charges it is a matter that can be settled between the two countries concerned, and an appeal of any kind can be carried to the international civil aviation organization, to ICAO itself.

*By Mr. Cote:*

Q. Are there any experts being called upon to give their views who are not directly connected with the representation of various countries? T.C.A. is the Canadian representative. Would there on any occasion be representations made by Canadian Pacific Airlines? Would there be anybody called upon to make representations such as C.P.A.?—A. Yes, that is completely possible.

The CHAIRMAN: Any further questions?

*By Mr. Benidickson:*

Q. I do not think I got an answer to my question as to whether or not Canada could remain in ICAO without violation of any of its obligations to ICAO and still have one of its operating companies such as T.C.A. a non-member of the other organization?—A. Oh yes, surely. I am afraid too much emphasis is being put on IATA as an organization. IATA is a group meeting together for the purpose of reaching an agreement on rates so there will not be a wide diversity of charges as between countries. It was one of the purposes of ICAO to do away with all discriminatory practices, and not only on questions of rates but on all phases of operation. IATA is not a formal organization in the sense that ICAO is but is merely, as its name implies, an association.

Mr. BEAUDOIN: It is a voluntary organization?

The WITNESS: Yes.

*By Mr. Cote:*

Q. Does the government contribute to it?—A. The government does not contribute to it.

Q. We contribute to the upkeep, to the setup generally, do we not?—A. Not the Canadian government.

Q. Who is putting up that building in Montreal, everybody but Canada?—A. That is the International Civil Aviation Organization.

Q. And that is their headquarters?—A. That is right.

Q. Do you mean to say that we do not contribute toward that?—A. I am afraid I may have been misunderstood. There is a very definite contribution to the International Civil Aviation Organization, but I thought we were previously discussing IATA to which no contribution is made by the government of Canada; I refer to the International Air Transport Association.

The CHAIRMAN: Thank you very much, Mr. Moran.

I will now call Mr. Rae, of the Information Division of the Department of External Affairs.



**S. F. Rae, Information Division, Department of External Affairs, called.**

The WITNESS: Mr. Chairman, I am entirely in the hands of the committee as far as procedure is concerned, but I think it might be helpful if I were to make a short statement by way of an outline of the activities and functions, as we conceive them, of the Information Division of the Department; and I am sure there will be questions on various aspects of our work which I would be glad to try to answer.

*By Mr. Benidickson:*

Q. Last year we received a copy of the booklet which I think began publication two years ago, "Canada from sea to sea"; is there anything equivalent to that being put out this year?—A. We are continuing the distribution of "Canada from sea to sea" which has met with a very warm reception in the countries in which it has been distributed. It has been produced in four languages—English, French, Spanish and Portuguese. That publication is one of the things I had hoped to touch on in the general summary of our arrangements for publications of that kind in the course of the year.

Mr. FLEMING: I think maybe we better hear his statement.

The CHAIRMAN: Yes, let's have the statement first.

Mr. COTE: I think we should let Mr. Rae give us an outline and then we can ask our questions.

The WITNESS: Mr. Chairman, I think that the premise on which our work is based is that all responsible governments which are committed to international co-operation believe that the provision of authentic public information to other countries is an essential aspect of the conduct of foreign affairs. Fundamentally the reasons for this are pretty straightforward. The speed of modern communications and technological developments have created the physical conditions whereby the world in a sense has become a neighbourhood. Foreign affairs today are certainly not the exclusive preserve of government but are of direct, immediate and vital concern to the man and woman in the street. In democratic states the influence of public opinion on policy is continuous and in the long run decisive. In order that public opinion should act wisely it has to be in possession of the facts; and our feeling is that international relationships depend not merely on good relations at the official level between countries, but also on a much broader and deeper comprehension. To facilitate a better understanding in other countries of Canadian policies and affairs is one of the duties of the External Affairs service.

As most of you know, the Canadian Information Service was integrated in the Department of External Affairs by an Order in Council of February 5, 1947; and with this transfer the former functions of C.I.S. as it was called, were merged with those of the existing Information Division of the Department.

Immediately after this integration the administrative staff of C.I.S. was absorbed in the Administrative Division of External Affairs. Information offices abroad in February, 1947, (London, Canberra, Paris, Washington, New York) have now become an integral part of the diplomatic mission in the city where they are located and the information officers are responsible to the head of mission concerned.

The integration, I think, has established closer working relationships between the information and diplomatic staffs at home and abroad; it has eliminated administrative overlapping, and has provided for the integration of certain common services.

The Information Division is responsible for the collection and preparation of information about Canada for distribution abroad. This material is designed to assist diplomatic, consular and trade offices in meeting the needs of the press



and public of other countries. The Division prepares and distributes daily, weekly and monthly bulletins and other special publications to meet specific needs. Photographs and other graphic materials are supplied for press, display and exhibition use. The Division deals with enquiries of a general nature; it supplies information services for international conferences and it co-ordinates and assists other public information services of the government in relation to information abroad. Within Canada the Division's function is to provide for liaison with press and public in dealing with requests for current information on matters directly related to international affairs and the work of the Department.

The Division is also responsible for certain aspects of cultural relations with other countries including correspondence on art, exhibits, music, education and related matters.

I might run down if I may, the main informational activities of the Department. In the first place there is press liaison. I do not need to say much about that to this Committee, since the Press Gallery in Ottawa is as much a national institution as Parliament Hill itself. The Gallery includes a number of foreign as well as Canadian press correspondents, and their reports on what is going on in Parliament, and in the field of foreign affairs, which is our special concern, are transmitted to many countries abroad. In the Department we have a regular practice of holding weekly press conferences to which members of the Gallery are invited, and which provides a useful opportunity to make information available on the work of the Department and on matters currently before it. In addition, the Information Division provides press releases and texts of official statements to all members of the Gallery, representatives of the news associations, and to diplomatic missions in Ottawa and abroad.

In second place, the Information Division is responsible, in consultation with other divisions, for the circulation within the service of the considerable volume of material which comes into the Department by way of reports from missions abroad. A good deal of this information has to be sifted and condensed, and then prepared in a form suitable for a wider and more general circulation. During 1947—I am thinking now of general reports for the background information of missions on economic and political developments in the various countries in which our missions are located, or on trends of thought and policy in the Department—there were well over four hundred of these documents given general distribution. These circular documents serve a very useful purpose in helping all our people abroad to achieve a common basis of factual information about current policies and developments.

Next I might mention the publications and reference materials, which are prepared in the Division. There are several regular publications. There is the daily air mail bulletin, which is a brief one-page summary of the main events of the day's news for despatch by air mail to the Canadian missions abroad. There is also a weekly bulletin, which is a longer factual survey of major developments of the week in Canada, written primarily for Canadian missions and organizations abroad.

Thirdly, there is the External Affairs Monthly Bulletin, to which we are giving a good deal of thought at present. At the present time it is a brief record, a monthly record of international agreements, international conferences, a record of official statements in parliament which deal with foreign affairs, a record of press releases, and of appointments and transfers of diplomatic personnel. I hope there will be some opportunity to have the Committee's views, Mr. Chairman, as to the possibility of our developing this into something that can more adequately serve the needs not only of the missions and interested agencies abroad but also of groups in Canada who would be interested in having fuller information about the current activities of the Department.



*By Mr. Hackett:*

Q. To whom is this later publication distributed?—A. At the present time it has a very limited distribution on the whole; it was primarily intended for our missions, but I believe the monthly bulletin in its present form has been available to members of parliament for the last six months or so. At present it is largely an index rather than a publication, but I think it could be considerably improved.

*By Mr. Cote:*

Q. Is there an amount of money in the current estimates to provide for that publication?—A. Yes, we have made provision of an item which I believe is \$24,000 for the current year, but it is difficult to estimate accurately at this stage.

Q. With that small amount what is the coverage you would expect to give?—A. I do not think we were thinking in terms of a popular publication of mass appeal, but rather in terms of something perhaps closely parallel to the very useful document which the State Department produces called the State Department Bulletin, which is a weekly publication of official statements and formal pronouncements.

*By Mr. Fleming:*

Q. It sets out the statements, whereas your publication merely gives the index?—A. It is a more complete record. What we thought we would try to do would be to go through an experimental stage in which we put together some of the material available in the Department and try to issue the publication in a simple and economical form before we go into the question of a regular printed publication.

*By Mr. Cote:*

Q. This money only covers written material; nothing with regard to films or radio broadcasts, for instance?

Would these be possible with the amount of money you have just mentioned?—A. I was speaking only of publications.

Q. Printed material?—A. Printed material.

Q. Have you given any thought whatever to the use of films, radio broadcasts, public forums, public speakers or conferences or seminars?—A. I think if we carry on with the statement, we will come to those other points.

The last regular publication I wanted to mention was a weekly publication in Spanish—*Informaciones Canadienses*. I think my colleague Mr. Anderson could pronounce it better than I could. It is an air mail bulletin printed in the Spanish language once a week for distribution in South America.

There are also occasional publications. One member of the committee mentioned the booklet, "Canada from Sea to Sea." On first production in 1947, a substantial distribution was made. For the present year, we do not contemplate any similar production because that publication has been extremely well received abroad and a re-run of copies in English and French has been authorized. We anticipate that the stocks we now have available will be sufficient to meet the kind of requests we will get from abroad for that particular publication during the present fiscal year. The Spanish and Portuguese editions of "Canada from Sea to Sea" have just come off the press and are in the process of distribution in Latin America.

Occasionally special cables are prepared for our missions on matters of immediate importance. In addition, where the need arises other publications in the nature of reference papers are undertaken. The Department prepares these reference papers on various subjects of major interest. Brief papers have



been produced, for example on the St. Lawrence seaway; on subjects such as Canadian citizenship, based on the new Citizenship Act; on Canada's role in the General Assembly, and so on. These are prepared in consultation with the other Divisions of the Department and distributed generally overseas.

We scan current periodical publications for articles of particular interest to our missions and interested groups abroad. When permission is obtained from the publisher and author here, reprints are mimeographed and distributed to missions. Biographical material is prepared for the use of the foreign press on Canadian public figures, our heads of missions, and representatives to international conferences.

Occasionally, feature articles are also prepared on a variety of subjects, either in response to a particular request that is made by one of our missions, or in the light of some development in Canada which we think is worth while and which we wish to bring to the attention of people abroad.

Finally, one development which I think will be of some interest, is a new series of one page fact sheets, as we call them, which is now in preparation. These have been prepared on a number of basic subjects such as the Canadian population, agriculture, geography, Canadian government, and so on. They were originally devised in order to help us answer the very large volume of current queries which the Division receives. They have proven to be extremely useful. There are only a limited number of titles now in circulation. Others are in the process of preparation or translation.

*By Mr. Harris:*

Q. Are those requests from abroad or from Canada?—A. The majority are from abroad. The Division is also responsible for the distribution of Trade and Commerce publications such as the Canada Year Book, and Canada 1948. I am sure you are all familiar with these publications which are of course available in Canada as well as abroad.

Thus in addition to information on current policies, our missions receive general information on Canada and on Canadian current affairs. They receive, of course, a representative selection of Canadian newspapers and periodicals. However, air mail costs are high and it is for that reason we prepare some of these publications I mentioned earlier, such as our daily and weekly bulletin, on an air mail basis. *Hansard* goes by air, I believe, to all our missions abroad since we feel it is essential that they should be informed as quickly as possible on current developments in parliament. The missions feel that way too, I may say. They also require a good deal of basic documentation and that is also provided through liaison with other government departments to ensure that current publications are forwarded to them, as well as reports from banks, insurance companies, industries, educational institutions, scientific societies, and so on. The members of the Committee will of course be aware of the fact that the Department itself issues a number of publications such as reports on major international conferences, the Annual Report—the Treaty Series, and Reports on the General Assembly of the United Nations, the most recent issue of which has just been distributed.

May I say a word about photographs, posters, and other graphic materials. These materials are procured from the National Film Board, and also from outside sources, on suitable pictorial subjects and distributed to the missions abroad. Whenever there is no existing photographic coverage and when interest warrants it, the Division itself undertakes to have the work done. From January 1, 1947 to December 31, 1947 approximately 45,000 prints were distributed overseas. Some of these went out with the reference paper series which I mentioned, others with feature stories and a number were prepared to meet special requests. I would also like to mention the Enquiry Service in the Division. This Service deals with queries about Canada and Canadian affairs which come from all over



the world. An analysis of the four-month period from October, 1947, to January, 1948, showed that of the enquiries received, 81 per cent came from the United States, 13 per cent were enquiries originating in Canada relating to foreign affairs, and 6 per cent came from other countries. The letters from the United States were principally from school teachers, school libraries, boards of education, writers, students, speakers, clubs, and so on.

Mr. BEAUDOIN: Is there any particular subject on which many of the letters asked for information?

The WITNESS: The greater proportion of the letters I have mentioned came from schools engaged in the study of various countries, and asked for reference materials about Canada. Teachers and students frequently request our assistance in providing basic materials. A student in a university perhaps preparing his thesis on some Canadian subject will write to ask our help; many requests dealt with our own educational facilities in Canada.

Mr. PINARD: The great majority of the requests came from the United States?

The WITNESS: Yes.

Mr. HACKETT: Is Mr. Rae prepared to tell the Committee how rapid has been the growth of this department of information or division of information? I am speaking now in terms of dollars.

Mr. BENEDICKSON: Where is the item in the estimates?

Mr. HARRIS: There is no item in the estimates.

Mr. FLEMING: It is contained in the detail on the sheet.

Mr. COTE: I do not think this is quite fair. In the first place, my friend Mr. Rae should be commended by all members of the committee for putting out one of the best information services in the world today. As a member of the House of Commons and a member of this committee I would protest that we have not got all this valuable material that is being sent to foreign countries but I would like to say that through Mr. Rae's initiative, with a certain background of knowledge, it has been possible to have a check and double check on what is going on and I would like to commend Mr. Rae for what he has accomplished in the way of making information available. I think if members of this committee as well as members of the House of Commons were on the mailing list for this material that is being spread all over the world everybody concerned would be very highly pleased with the work that is being done. I say that in terms of dollars it is too small an amount of money, and I would say that with that small amount of money they have accomplished a miracle, with that mere amount of money.

Mr. BEAUDOIN: What is the mere amount?

The WITNESS: Mr. Chairman, the figures which appear in the estimates on page 114, publicity and information, are \$127,300 compared with \$241,200 for 1947-48.

*By Mr. Fleming:*

Q. You did not spend all that amount of \$241,000. Your actual expenditure apparently was much less, was it not?—A. Yes, I understand that is so.

Q. According to this statement headed departmental administration details your actual expenditure was \$85,984,33?—A. Yes.

Q. So you are budgeting this year for an increase of about 50 per cent over last year's expenditure, not a decrease?

Mr. COTE: I wish those figures could be compared with Mexico, for instance.



The CHAIRMAN: Order, Mr. Cote, please. There is a question Mr. Rae is trying to answer.

Mr. COTE: I am not out of order.

The CHAIRMAN: I did not say you were out of order, but there is a question now before the witness that he must answer before he can answer any other question.

Mr. COTE: It should be in relation to what other countries of similar size are doing.

The WITNESS: Mr. Chairman, it is true that the actual expenditures in 1947-48 were in the neighbourhood of \$85,000, and our estimates for this year are \$127,000, but I should point out—

Mr. BENEDICKSON: \$85,000 or \$185,000?

Mr. FLEMING: \$85,000 expenditure, and \$127,000, which is an increase of 50 per cent in round figures.

*By Mr. Hackett:*

Q. I wanted to know to what extent your division is assuming the duties that were heretofore assumed and discharged by the press?—A. By—

Q. The press.—A. Oh, I do not think we could at all replace the functions of the press. We conceive our job as attempting to facilitate the work of the press by putting them in touch with the competent individuals in the Department on subjects in which they are concerned, and by issuing official statements, but the job of reporting government policies for the general public is the responsibility of the newspapers. It may be when we are talking, as we are, of Canada's position abroad, that in certain countries relatively small amounts of Canadian news appear for a variety of reasons. In those cases we supplement and assist by seeing to it all our missions are adequately informed about current developments here, and are in a position to answer queries from the press and public in the countries in which they are located, and to provide informative material which, taken by and large, has the effect of making Canada's position better understood.

Q. To what extent is it a duplication of the work done by the Bureau of Statistics?—A. The Dominion Bureau of Statistics of the Department of Trade and Commerce prepares basic statistical materials, for example, the books we have mentioned like the *Canada Year Book* and *Canada 1948*, are both published by the Dominion Bureau of Statistics. The Information Division uses these publications for distribution abroad, together with other publications of a more general character. It also prepares and distributes information abroad dealing with Canadian external policies and with Canadian affairs generally, and works in close liaison with other agencies and other media in this field.

Mr. COTE: I do not know if I understand very well what the witness has said and I would like him to make it very clear for me. There is some provision, I understand—

The WITNESS: Pardon me, what is that?

Mr. COTE: I understand there is no provision whatsoever for the distribution of information from other departments. Do you understand what I mean, do I make myself clear? I would say that in my opinion the department is not provided with anything like the amount of money they need for providing the type of press service which Canada as a country should have not only at home but abroad so that the government through this department could be able to provide all the information that should be published relating to Canada and Canadian activities.

The CHAIRMAN: Are you through with your statement, Mr. Rae?



Mr. FLEMING: I have a few questions, Mr. Chairman, but I do not want to ask them until Mr. Rae has finished his statement.

The WITNESS: I have just one or two additional things to say, Mr. Chairman. I would like to say a word about international conferences, which is related to the previous question of the relationship between ourselves and the press.

When Canadian delegations attend the General Assembly of the United Nations or other important international conferences, the department provides information personnel to facilitate the work of press, radio and film representatives. The Information Officer arranges meetings of delegation members with the press, provides biographies and photographs of delegates, issues texts of statements and assists in arranging radio broadcast, news reel pictures, and similar activities. The responsibility for reporting and commenting on the assembly proceedings is clearly that of the press.

The Information Division also works in consultation with the United Nations Division of the Department in preparing and distributing the annual Reports on the General Assembly of the United Nations. The following reference to these reports is made in a recent article by Mr. Clyde Eagleton on "The Share of Canada in the making of the United Nations" which appeared in the University of Toronto Law Journal, Lent term, 1948:

The three volumes referred to are: (1) Department of External Affairs, report on the United Nations conferences on International Organization (conference series, 1945, No. 2, Ottawa, 1945); (2) Department of External Affairs, report on the first part of the first session of the general assembly of the United Nations (conference series, 1946, No. 1, Ottawa, 1946); (3) Department of External Affairs, the United Nations 1946 (conference series, 1946, No. 3, Ottawa, 1947). The United Nations cannot be made to succeed without the understanding and support of the peoples of the world, a support which is badly needed as this is written. Governments, therefore, have a responsibility for informing their peoples, and such publications as the above are essential. The United States publishes more diverse and voluminous materials concerning the United Nations, but I know of no government reports anywhere which present more compactly or more usefully what the United Nations is doing and what the share is of that government in the work of the United Nations.

The Information Division assists visiting foreign journalists, writers, and students by advising on itineraries, arranging interviews, providing informational material, and facilitating contacts with government officials in Ottawa and with outside authorities in the field in which the visitor is interested. There is probably no better way for people to learn about Canada and the Canadian way of life than to come here and see for themselves.

Lastly, I might just mention that we have concerned ourselves with cultural relations, the provision of adequate library and reference facilities at missions abroad, and to a limited extent, with educational matters and student exchanges.

With regard to the staff involved—I would like to make this point—we were talking about the budget for this year: in fact, while the estimates are greater than the actual expenditures for last year, one or two of the items in the estimates are in a hypothetical state, like the monthly bulletin I was referring to. Actually, on the staff side there has been a reduction during the past year, particularly in information personnel in Ottawa. There are only small staffs working full time on information in London, New York, Washington, Canberra and Paris, although it is our view that in a mission abroad everyone from the head of a mission down has a responsibility for informing the general public of Canadian activities and Canadian policies.



*By Mr. Cote:*

Q. I would like to ask the witness a question which I think is pertinent, because I think he is an expert, and I know that. Would the witness be willing to tell the committee whether what has been accomplished now is sufficient in his mind to put Canada across? The second question is this: has all of the information available with regard to putting Canada across been made use of to the greatest extent that could be done?

Mr. MACINNIS: I do not think we should ask this witness to give an expression of opinion as to whether our publicity services are adequate. That is a matter of government policy.

Mr. HACKETT: He will have an opportunity to ask that question of Mr. St. Laurent.

Mr. COTE: This man is an expert who should be able to direct us, and I say his personal opinion would be a great direction to all of us, because I know the witness and I do not see why we should not have the benefit of his opinion even if it is off the record.

The WITNESS: I am inclined to agree with the members who feel that I am a biased witness on this aspect of information, although if I were asked to assess our information activities I think I would be inclined to point out a number of areas where we could be doing better work than we are doing at the present time. Any over-all appraisal of the general information job abroad, however, would have to take into account the fact that there are a number of other government agencies which are doing useful work. I am thinking for example of the C.B.C. International Service, the National Film Board in its work abroad, the National Gallery, and the Department of Trade and Commerce through its Tourist Bureau, which is responsible for our tourist activities. There is also the Exhibition Commission with its International Trade Fair, which is certainly a very important informational activity. But while there are a number of agencies concerned, we do try in our work in this field, to co-ordinate activities closely through the Inter-Departmental Committee on Information Abroad. I think the question of how well or how badly the work is being done is one which should be answered elsewhere.

*By Mr. Fleming:*

Q. Mr. Chairman, I should like to ask several questions, the first of which has to do with the Publicity and Information Service. Is it set up as a fairly well defined branch within the Department now, since the department took it over?—A. I think it is almost at the stage where one could say the integration has taken place. It was a process of about a year because there were a number of questions of a personnel character which had to be dealt with. At the present time I think we have now reached the point where the Division is an integral part of the Department and where information and foreign service officer personnel are interchangeable.

Q. But you have a Division, a completely separate Information Division within the Department?—A. It is called the Information Division of the Department in the same way there is a Legal Division, and so on. Our personnel are interchangeable. There may be an individual come in and work with us for three or four months who will then work in the Consular or Legal Division and then, perhaps, be posted to some mission abroad.

Q. I do not think I was asking for quite that much detail, Mr. Rae. It is on the basis of this separate Division that the estimates have been prepared?—A. I understand that Mr. Matthews explained at a previous meeting, at which I was not present, that once the integration had taken place, certain items



became part of the general estimates of the department. The only items which we have indicated as publicity and information are ones which are comparable to the budget item which appeared last year under the same heading.

Q. Now, could you give us, briefly, a description of the nature of the proposed expenditures that are in the item of \$127,300, and those that are merged in the other figures?—A. The breakdown of the \$127,300—is that what you mean?

Q. Yes, if you could give us an idea of the character of them?—A. \$43,000 of that total is for publications which include the proposed monthly bulletin I mentioned; *Canada, 1948*; and the *Canada Year Book*, which we distribute in quantity; various publications and reprints. A small item of \$4,000 is for outside translations and writers' fees. The total is \$43,000.

Q. That is the increase over last year you are giving us now?—A. I am sorry, I did not have that previous figure. I explained the amount was based against the estimates of 1947-1948.

Q. You are giving us now the items totalling \$43,000. This represents the increase of this year over last year?—A. That is the total amount for publications estimated for 1948-1949 whereas last year the estimate for the same heading, publications, was \$114,200. The main reason for the difference is the fact no amount is included this year for *Canada from Sea to Sea*, which was a publication originally undertaken by C.I.S. This project is completed and the stocks already purchased.

Q. I am trying to see the picture a little greater distance without quite so much detail. What about the salaries, are they to be found in the item of \$127,300 or are they in the other items?—A. They are in the salary items.

Q. They do not come in here?—A. That is right sir.

Q. What other expenditures on publicity and information are to be found in the other general items of the department and not in this item?—A. The headings Printing and Stationery, Travel and etc., include expenditures of that nature for information work.

Q. Just give me an idea of the nature of it?—A. For example, expenses for telephone calls, telegrams, travelling and moving expenses are charged to the general appropriations for these items.

Q. Now you have given us an idea of the other items but what about the \$127,300? You have given us some figures on expenditures on publicity material totalling \$43,000 but what is the other \$83,000?—A. \$43,000 is for publications. The second amount is \$31,000 for photographs, their production, procurement and distribution to missions abroad. Each mission has a basic reference library of photographs and the photographs are used in connection with those articles. In addition we have provided for silk screens, Canadian art reproductions which the National Gallery put out and for which we occasionally meet requests from other people.

Q. How much is the item for that?—A. That item of silk screens would be \$1,500 approximately.

Q. I would just like the sizable amounts.

The VICE-CHAIRMAN: Are you finished?

The WITNESS: Photographs are \$31,000, graphic display materials \$24,300 and libraries abroad \$25,000. The last amount is to supply the missions abroad with reference books, books on foreign affairs and on what one might call Canadiana or cultural books on Canada. The last item is \$4,000 which was left in to cover foreign speaking tours. Occasionally a speaker is requested and we are anxious to send someone down to a non-official conference—usually in the United States.



*By Mr. Fleming:*

Q. \$4,000, have you had that item before?—A. Yes, I think there was an identical item last year of \$8,000.

Q. Did you send many people down on such speaking tours?—A. Very few, in my experience.

Q. Who, for instance went last year? What type of people did you send and where did they go?—A. I do not really think the item was used to any extent. There was a case the other day concerning a Miss Bowlby who attended a women's university group in the New England States. We were asked to provide a speaker on this occasion. We feel that if the occasion arose it is useful to have an item in the estimates which might cover an occasional person. Normally the expenses are paid by the organization which asks for the speaker but there are occasions when we would especially like to have someone go.

Q. You are thinking of someone outside of the government service?—A. Yes.

Q. I was wondering why you have included this item if you have not had any occasion to use it? After all, we have government ministers and people whose business it is to carry out trips of that kind, if it is a matter of carrying information about this country?—A. Occasionally the request is not for a government official but for someone of a different type.

Mr. COTE: That is on the requesting end?

The WITNESS: Yes, the person making the request. If it comes from a teachers' group, they might want a teacher to go down. I think actually the item is a product of the wartime period when there were a good many arrangements of that kind. It has decreased pretty steadily but we felt it would be useful to make provision for the occasional request of that kind.

*By Mr. Fleming:*

Q. And those requests would be coming not from governments but from some private organization.—A. Private organization.

Q. I do not see much need for that myself. Coming to the matter of the staff how many people, taking account of your interchangeability, and so on, are actually classified on the publicity and information bureau's staff now?—A. In the Information Division?

Q. Yes.—A. Speaking of the people at home the last figures I have, and they change slightly as they are moved from Division to Division, are for March, 1947. At that time the Division had 80 members and in March, 1948 it was down to 62. That figure does not include the library which consists of a senior librarian and five assistants who have been allocated to the Information Division administratively, so that the total at May 3 was 69.

Q. That is the number at home?—A. Yes.

Q. Have you the figures abroad?—A. That includes clerical personnel as well.

The CHAIRMAN: Can we finish this now or should we adjourn?

Mr. COTE: I should like to ask that we adjourn.

Mr. FLEMING: In five minutes.

The CHAIRMAN: I think we should try to finish with Mr. Rae. He has been here for a while.

The WITNESS: It will not take long to give those abroad. In New York there are two senior officers. In Washington there are two senior officers. In each case there is a small clerical staff. In the case of New York five altogether. There are two senior officials and five clerical staff in New York and two senior officials and eight clerical staff in Washington. In Paris the work of the information officer at the present time is being conducted by a foreign service



officer who is there with two reference assistants, and one clerk, three clerical grade altogether. In London there is one information officer and a small clerical staff of three and three locally employed junior stenographers.

*By Mr. Hackett:*

Q. 29 in all?—A. Right.

*By Mr. Fleming:*

Q. That is the complete list?—A. I am sorry. Canberra has one information officer, but the total is 29.

Mr. COTE: I should like to ask—

The CHAIRMAN: Just a moment; Mr. Fleming has a question.

*By Mr. Fleming:*

Q. I wanted to ask a question about your newspaper relations in the United States. You spoke about the matter of furnishing information and material on request. I understood one of the functions of the offices in the United States, and certainly the one in Washington, was that you had people there reading the American press, and where you find ill-informed articles in the American press, or articles that do not accurately reflect the facts in regard to Canada, that the information service there writes those papers and offers corrective information. Is that correct?—A. The embassy in Washington does follow closely trends in the United States press, and also keeps us informed.

Q. I was not talking about trends. I am talking about correcting misinformation in the American press.—A. Yes, but that is done in a variety of ways. It may be done through press conferences when some minister or some senior official is in the United States and is in a position to make our position clear.

Q. Surely there is a lot more to it than that. I do not want to be offering information to you about this, but I fully understood one of the functions of that information service in Washington was to keep track of articles in the American papers, read those articles day by day, and where incorrect information about Canada appears in those articles to offer corrective information?

Mr. COTE: If I may butt in I would say this to the committee in answer to the question being asked by my learned colleague. It is not lack of information—

The CHAIRMAN: Order. I really believe the question should be answered by Mr. Rae.

Mr. COTE: I would like to butt in if I may do so. As a member of the committee, Mr. Chairman, I suppose I have equal rights with anybody here.

The CHAIRMAN: It is not a question of right, it is a question of procedure. A question has been asked and Mr. Rae was about to give the answer, but he has not had an opportunity to answer the question yet.

Mr. COTE: There was a question put by my colleague which I say I am entitled to answer because I know something about it.

Mr. FLEMING: I prefer to have Mr. Rae answer my question, Mr. Chairman.

The CHAIRMAN: Yes.

The WITNESS: I have not the statistics as to the number of newspapers there are in the United States—there are an enormous number; and I am sure they are writing articles on all sorts of subjects. It would not be the normal practice of the Embassy to correspond with them individually if there was something of that kind in a newspaper; but I might say that when it appears that there is a basic misunderstanding on something of direct concern then the



Embassy would naturally take whatever necessary action was possible, either through conferences or in some other way to place the facts as we see them before the public.

Mr. FLEMING: Mr. Rae, you gave the answer to my question in the earlier part of your reply where you indicated that it is not being done. I thought it was being done, but it would appear from your answer that it is not being done.

Mr. BENIDICKSON: I recall a St. Louis paper not long ago which raised the issue as to why the United States should contribute to ERP because Canada was not doing very much for European recovery, and I think that the *New York Times* indicated as a result of the information they had given to them through our operations in Washington—they were able to put their public straight and show that on post-war European recovery Canada had contributed very substantially. That information came from the Canadian Information Service.

Mr. MACINNIS: Surely the *New York Times* would have the correct information as to what Canada had done without being corrected by our consular office.

Mr. HACKETT: They have a very able representative here.

Mr. HARRIS: Mr. Chairman, I do not think it is quite fair to leave the question and answer the way Mr. Fleming summed it up. I understood you to state that while we do not as a practice scan the newspapers for the purpose of correcting them individually, but that if we found it is an overriding misunderstanding the Embassy interests itself in seeing that the correct information is sent out; and yet Mr. Fleming summed up your answer as stating something like this; that you gave the answer in the first part which was no.

Mr. FLEMING: "No", to my question.

Mr. HARRIS: Yes. But in fact you went on to say that we are in fact doing that very thing in a practical general way.

Mr. FLEMING: I want to be fair to Mr. Rae. All I was getting at was a very simple point; whether this particular information division of the Canadian Embassy in Washington were making a point of following up papers and issuing correcting material to the editors of the papers. Now, I was under the impression—as a matter of fact I have been informed by my friends that that was being done; but I gather from your answer that it is not being done.

The WITNESS: I should not say in those specific terms, that every item concerning Canada was the subject of a communication by the Embassy by any means but that over all and along general lines on which there seems to be substantial inaccuracies or a lack of understanding steps would be taken to put the facts before the public.

*By Mr. Fleming:*

Q. One more question because I want to finish this up tonight. Of this \$42,000 increase in this year's estimates, during last year's expenditure do I understand there was \$20,000 provided for this bulletin? Is that a clear increase over the last year?—A. There was an item in last year as well.

Q. The \$20,000 does not represent a net increase?—A. There was no expenditure last year.

Q. The \$20,000 represents a clear net increase?

Mr. HACKETT: Over expenditures.

The WITNESS: Over expenditure last year.

Mr. COTE: May I say something with regard to Mr. Fleming's question? I would like to know first: is there a single instance where the department of information since it has been entangled with the Department of External Affairs



has given information conducive to bad publicity toward Canada; two, if bad publicity was made about Canada by various statements I would say it is because of lack of knowledge by the various papers on account of lack of information from Canada and the various papers have published unfounded and uninformed information; third, I am more inclined to believe it is about time that we in international affairs deal with the broadminded principle of making Canada known and put our message across through the various vehicles of information that are now up-to-date devices than it was dealing with regard to various items of money expenditures. Mr. Rae mentioned in his report a certain amount of money was spent for various objectives, various devices toward the same objective. I would like to know, for instance, if the Department of External Affairs is doing anything whatsoever either in respect of subsidies or grants or whatnots to help the Canada Foundation, for instance?

Mr. HARRIS: Mr. Chairman, it is now 11 o'clock. I wonder if we could adjourn.

Mr. COTE: I would like to have an answer to my question before we close.

Mr. BENEDICKSON: Perhaps that would be the last question and we could dispose of the witness.

Mr. COTE: Just answer yes or no.

The WITNESS: There is no subsidy.

The CHAIRMAN: Before we adjourn I wish to thank Mr. Rae for his evidence. At our next meeting we will have Mr. Riddell, who will deal with item 62.

Early in the session I mentioned that we would like to have General McNaughton speak before a joint meeting of the Senate and the House of Commons Committees in the Railway Committee room at which the press and the public would be admitted. I will mention that at the meeting of the steering committee.

—The committee adjourned.











SESSION 1947-48

HOUSE OF COMMONS

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STANDING COMMITTEE

ON

# EXTERNAL AFFAIRS

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

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MONDAY, JUNE 14, 1948

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WITNESS:

Mr. R. G. Riddell, Chief of the United Nations Division, Department of  
External Affairs.

OTTAWA  
EDMOND CLOUTIER, C.M.G., B.A., L Ph.,  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
CONTROLLER OF STATIONERY  
1948







## MINUTES OF PROCEEDINGS

MONDAY, June 14, 1948.

The Standing Committee on External Affairs met this evening at 8.30. Mr. Bradette, the Chairman, presided.

*Members present:* Messrs. Baker, Beaudoin, Benidickson, Bradette, Dickey, Fleming, Gauthier (*Portneuf*), Harris (*Grey-Bruce*), Jackman, Leger, Mutch, Pinard and Winkler.

*In attendance:* Messrs. R. G. Riddell, Chief of the United Nations Division, Hume Wright and B. M. Williams and Miss Miriam McPherson.

The committee resumed and concluded its consideration of the estimates referred.

Item 62 was called—United Nations.

Mr. R. G. Riddell was called. He made a statement on the United Nations Organization and was examined thereon. He referred to the Report of the Second Session of the General Assembly of the United Nations held in New York in the Fall of 1947.—Conference Series No. 1—Department of External Affairs—Canada at the United Nations, 1947.

Copies of this report, tabled in the House on June 9, have been distributed to the members of the committee. It outlines the attitude and contribution of the Canadian Delegation.

The witness filed for distribution copies of a chart showing the organization of the United Nations.

Mr. Riddell gave information previously requested by Mr. Fleming concerning the U.N. budget and assessment of countries for the headquarters site.

Mr. Riddell was retired.

The committee took into consideration the following notice of motion given on Wednesday, June 9, by Mr. Fleming:

That this committee request the Government to appoint a national commission in accordance with Article VII of the Constitution of the United Nations Educational, Scientific and Cultural Organization.

Mr. Riddell was recalled and questioned on the establishment of such a commission. The witness retired.

After discussion, the question being put, it was resolved in the negative.

Items 52 to 67 both inclusive were approved.

*Ordered,*—That the Chairman report back the estimates to the House.

Mr. Harris, parliamentary assistant to the Secretary of State for External Affairs paid tribute to the officials of the Department who represent Canada at the United Nations' meetings and its various bodies and agencies.



The Chairman also expressed appreciation to Mr. Riddell and other officers of the Department.

The Chairman stated, before adjournment, that in view of the late stage of the session, it will not be possible to hear General A. G. L. MacNaughton.

At 10.30, the committee adjourned to the call of the Chair.

ANTONIO PLOUFFE,

*Clerk of the Committee.*



## MINUTES OF EVIDENCE

HOUSE OF COMMONS,  
June 14, 1948.

The Standing Committee on External Affairs met this day at 8.30 p.m. The Chairman, Mr. J. A. Bradette, presided.

The CHAIRMAN: We have the pleasure and the honour this evening of having Mr. Riddell present. We will commence with item 62, the United Nations.

Now, Mr. Riddell, I presume you have a short opening statement which you wish to make. You may proceed with that.

### **R. G. Riddell, Chief of The United Nations Division, called:**

The WITNESS: The main purpose of my appearance before this committee is to give the members of the committee an opportunity of asking questions and making comments on the report, which has already been distributed entitled, "Canada at the United Nations, 1947". Specifically, this is a report of the activities of the Canadian delegation at the second session of the General Assembly of the United Nations which was held in New York from September to November, 1947. However, the full scope of the work of the United Nations is gathered together in the annual session of the General Assembly so, in a very real sense, the report of the department on the session of the General Assembly constitutes a report on the work of the United Nations for the current year.

The policy of the government in regard to the United Nations was discussed at some length by the Secretary of State for External Affairs during the statement he made recently in the House on foreign policy. I do not think it is necessary for me to cover the ground again which he covered on that occasion, nor would it be proper for me to do so. I might, however, make a very few introductory remarks concerning the United Nations, as a means of drawing attention of the members of the committee to particular aspects of the report.

I have found that, in general, people ask three questions about the United Nations when that body is being discussed. They say, "How effective is this organization in the present circumstances? What are its weaknesses? Can these weaknesses be cured?" I should like to discuss very briefly those three questions.

How effective is the organization in the present circumstances? Well, I think we should set that question against the object for which the United Nations was brought into existence. The object is stated in the early sections of the charter, very simply. The object of the United Nations is to maintain international peace and security; that is a very broad proposition. It places a heavy responsibility on the organization. More specifically, it is to maintain international peace and security; first of all, by preventing war through collective action in an emergency and, secondly, by removing the causes of war through preventive action, political, social or economic, over the long term.

The function of the United Nations then, generally speaking, is two-fold. First, it has to deal with emergency disputes and situations which may lead



to war by initiating collective action designed to prevent it. More generally, over the long term, it has to remove the root causes which lead to international conflict.

Now, Mr. Chairman, my personal view is it would be misleading to suggest that the United Nations is an effective organization for guaranteeing peace and security in the present circumstances. The peace and security of the world at this moment, undoubtedly, depends in a large measure on other forces. It is, nevertheless, possible to weigh the organization in the balance and to find, even in the short space of three years—it is now almost exactly three years since the charter of the United Nations was signed,—within the short space of three years, it has operated within the limits that are possible to it in the present world situation, with a degree of vitality and a degree of energy which gives promise for the future.

In the first place the organization has provided itself with a constitution, a well-developed and complicated constitution; a constitution in which the very difficult task of associating sovereign states, states which are very conscious of their sovereignty in an international organization, has been accomplished. This has been done in a manner which, although it does not immediately diminish from the amount of national sovereignty in the world, nevertheless has made it possible for the organization to operate. The constitution which is embodied in the charter of the United Nations, on the whole is a more effective document than the document which brought the League of Nations into existence, the last experiment in international organization. It is a more complicated document than the covenant of the League of Nations, but the fact that it is complicated, the fact that it was elaborated to the extent it has been elaborated, has made it possible for all the great powers to participate in the activities of the United Nations. This, of course, is a very great gain in respect of the United Nations in comparison with the old League of Nations.

The United Nations has also provided itself with a civil service. I would not pretend for a moment that the civil servants at Long Island in New York are themselves going to save the peace of the world. Nevertheless it is a considerable achievement that, in the course of three years, it has been possible for the secretariat of the United Nations to provide an efficient international administration. In doing that, it has been necessary for them to draw their personnel from the 58 nations which are now members of the United Nations. It has been necessary for them to draw their personnel also from as many different varieties of skills and techniques. The fact that this international civil service operates with what, to my mind, is a relatively high degree of efficiency is, I think, a very considerable achievement.

I am sure, Mr. Chairman, you will recall as I do the skill with which the machinery of the General Assembly was operated. You will recall how complicated a business the General Assembly was and how with certain inadequacies it is true but, generally with despatch, the machinery of that assembly functioned. I think, also, it has been possible for them to make a beginning on the process of developing a sense of loyalty, an esprit de corps in this international civil service which, in the long run will strengthen this organization.

A few weeks ago General McNaughton spoke at a public meeting in Ottawa. In the course of the question period which followed, he was asked a question about the impartiality, the objectiveness of the international civil service which had been gathered together at Lake Success. He said that during his term as president of the Security Council he had been served by two men who were his immediate advisers from the secretariat, both of whom came from eastern Europe. In the course of the time he was president of the Security Council, he never once detected any attitude or any action on the part of these two individuals which indicated anything but objective loyalty to the organiza-



tion which they have served. This is a new organization. It is only three years old. I think the fact that they have put this civil service together which operates with efficiency and which is beginning to command the loyalty of its servants, is a considerable achievement.

There is also a kind of legislature which is now functioning. I refer, of course, to the General Assembly of the United Nations. It has not a legislature in our sense because its laws are not mandatory. The resolutions of the General Assembly are recommendations only and no state is compelled to accept them. There is, nevertheless, in the General Assembly the beginning of a kind of world legislature. It is still too early to estimate the persuasive effect of the resolutions of the Assembly but, during its three years of existence, the Assembly has taken on its agenda some very serious political questions and has come to decisions in regard to those questions. These decisions have had a measurable effect on the political situation with which they were concerned.

In a sense, at the last session of the General Assembly concerning which this report gives an account, the General Assembly went into business. It previously had been concerned, to a certain extent, with the development of its own organization; but at the last session, it may be said it went into business, in the sense it took on to its agenda matters of immediate and active importance in world affairs. In this connection I would refer to three particular subjects, Greece, Korea and Palestine. There may be differences of opinion as to whether the action which the General Assembly took in connection with those subjects were good or bad. The fact that the vote was divided in the Assembly was, itself, an indication that there were differences of opinion on those subjects. Nevertheless, decisions on those subjects were recorded and have had a subsequent influence on world events, good or bad, depending on your attitude towards these decisions.

The United Nations has also provided itself with something which is in the nature of an executive. I refer, in particular, to the Security Council. Now, it is only in a very general manner that the Security Council can be defined as the executive of the United Nations. It is not an executive in relation to that legislature in the same sense that our executive is to our legislature. It is, however, a body constituted for the purpose of taking administrative action in regard to the day to day business of world affairs, in so far as peace and security are concerned. Again, the record of the Security Council is far from satisfactory. I should like to discuss very briefly a little later, the reasons for the weakness of the Security Council. The main weakness, I think, is the fact that the great power unity which was present when the United Nations was brought into existence has since disappeared. Outside the area of conflict between the great powers, there are certain subjects with which the Security Council has been able to deal with a measure of effectiveness. You will see that I am being careful not to claim too great an amount of success for this organization. I think it would be a great mistake to suggest that the organization has yet established itself as a body which would inevitably solve the problems which have been given to it.

I say outside this area there have been certain problems in which the Security Council has had a measure of success. I refer again to three questions, Palestine, Indonesia and Kashmir. All three of those questions have been on the agenda of the Security Council during recent months. The Security Council has not solved the problems in any one of those three cases. Nevertheless I am quite sure that had it not been for the action of the Security Council there would have been warfare in all three places at the present time.

The United Nations through the Security Council may not be able eventually to solve those problems but it at least has postponed the outbreak of hostilities, or, as in the case of Palestine, has brought hostilities to an end and provided an opportunity for a settlement by negotiation to take place.



There are other organs of the United Nations which are in a sense executive bodies, the Economic and Social Council, The Trusteeship Council. Those bodies in turn have given responsibility to subsidiary organs, to Commissions which are endeavouring to define the basis of international co-operation in a wide variety of fields.

I should like to refer very briefly to the activities of one only of those commissions, because there are many. I refer in particular to the Commission on Human Rights. In some ways the most abstract activity of the United Nations at the present time is the effort which it is undertaking to lay down a charter of human rights which can be accepted internationally. It is a subject which has been discussed in a committee of this parliament over recent months. I should like to quote a statement which the chairman of the parliamentary committee made in regard to the activities of the Commission on Human Rights. He had been asked whether or not a declaration on human rights passed by the United Nations would have any binding effect on Canada. This is a statement by Mr. Ilsley made in the committee on the 4th of May. He said:

If a declaration was made by the United Nations and Canada voted in favour of that declaration that was so made I would think continually when we introduced legislation in the House of Commons, or in the Senate of Canada, you would have members who would get up and say, if the legislation did depart from the declaration, "This legislation is faulty. It departs from that declaration." The declaration has a continual living binding effect upon your federal legislation, and in all probability it would have some effect on provincial legislation, too. As I understand it that is what Mr. Hopkins means by the persuasive force of a declaration. It may be as far as the country will ever go. It may be they will never enter into a covenant. A nation must be pretty careful about entering into a covenant, of course. It is not too pleasant to have yourself impeached as a violator of a covenant by other nations, and have to argue your case out before a tribunal consisting of all the nations of the world, but the declaration might have a very real and beneficial effect upon legislation in your own country.

I have here, Mr. Chairman, a chart which, with your permission, we may distribute to members of the committee. It gives an indication of the organization of the United Nations, and an elaboration of that structure about which I have been speaking. I do not think it will be necessary for me to go into any detailed description of this organization although I would subsequently be glad to answer any questions about it. The outer ring of squares which are shown on this chart contain the names of the specialized agencies of the United Nations. These are the functional organizations, the intergovernmental bodies charged with administrative responsibilities in particular specialized technical fields.

I understand at your last meeting you had some discussion of the International Civil Aviation Organization which is a very good example of the purposes, and indeed, the achievements of the specialized agencies which are related to the United Nations.

I said that the second question which people frequently asked concerned the weaknesses of the United Nations, and that a corollary to that question was another one concerning whether or not those weaknesses could be cured. I think the weaknesses in general are of two kinds. There are weaknesses which arise generally out of the political situation, and there are administrative weaknesses which arise out of the character of the organization. In the first of those two groups, the weaknesses which arise out of the political situation, we have the matter that I have already mentioned, the disappearance of great power unity in the period following the adoption of United Nations. This is a matter of



very great importance in the contemporary world. It has held up the conclusion of the peace treaties, and there is no question that in every aspect of the work of the United Nations at the present time the differences between eastern Europe and the rest of the world provide an effective impediment to the success of the organization. This great division reaches down into every aspect of the work of the United Nations. There is no conference, there is no committee, there is no commission in which sooner or later a representative of a government at United Nations conferences does not find himself confronted with these stubborn problems. It is my own view that until these general issues between eastern Europe and the rest of the contemporary world are abated that we should not expect too much of the United Nations.

This difference between eastern Europe and the rest of the world is not merely a political one. It arises also out of certain differences in outlook and differences in background and political ideas. I think, for example, that the countries of eastern Europe which are organized on a political pattern which is very different from ours expect that the international organization in which they participate will also be organized according to that pattern. In a communist state the legislature is carefully controlled by the executive, and in a sense registers the decisions of the executive and has very little freedom of action. I think there has been some expectation on the part of those states that the general assembly of the United Nations would in a sense be that kind of body, whereas in the west the expectation has been that the general assembly would be in a sense an international parliament in which all nations would have an opportunity to express freely their views on international questions, to criticize the policies of the greater powers, to differ from their policies, and also to attempt to alter them.

There are also differences in political training that have impeded the development of the organization. The framework of administration is so different in various countries around the world that it is often hard for people from various countries to understand the administrative techniques of their neighbours.

*By Mr. Jackman:*

Q. Perhaps I might interrupt. Is it likely that the western nations which believe in parliamentary democracy will have to swing more towards the other way of thinking, or are they going to come to our way of thinking, or what in your opinion is the likely solution to this different conception of government, and the application of government to the United Nations? We think they are pretty shocking in their methods of home government, and they want to apply those methods apparently, as you suggest, to the general assembly and the security council, and I have no doubt that they think our methods are, to say the least, inefficient. Where is our solution? What is likely to happen?—

A. I do not think I can give a satisfactory answer to Mr. Jackman's very good question because it is so basic in the political conflicts of the contemporary world. I would think it would be a great mistake to expect any immediate solution to this kind of difference. The only hope would be that, if the United Nations continues in existence over a period of a decade or more, gradually the member states will become more familiar with each other's political ideas, with their political background, and that, granted the will to work out some kind of international administration through the United Nations, they will make allowances for those differences in background. I think I can give you an example of what I mean. I once listened to a long and very difficult discussion in a United Nations conference on the question of whether or not the United Nations should be served by independent experts. It was the original intention that the United Nations should be able to appoint a man who was an expert on, let us say, the production of coal, who would detach himself from his own political background, and from his own community, and who would serve the United Nations as an



expert on this subject, producing expert information. That intention was almost entirely defeated because of the stubborn resistance of the eastern European states, and particularly the Soviet Union, to this idea of the independent expert. I listened on one occasion to the representative of the U.S.S.R. discussing the question, and I came to the conclusion that the idea of the independent expert, the man who does research and produces independent objective data on the subject, was unfamiliar to him and his colleagues. They were not prepared to interest themselves in this proposal because they did not understand it, because they felt that it was not possible for this kind of an individual to function in an international role. That constitutes a very serious problem.

Mr. JACKMAN: Yes, I know. What would they regard the functions of an expert of the type to which you have referred say with regard to coal production?

The WITNESS: They would, I think, regard him as an official who would produce the figures which the negotiator would use in the course of his negotiations.

The problem was illustrated again in an interesting manner in the meeting of the Commission on Human Rights. The Canadian who sat on the Freedom of Information Committee of the Commission on Human Rights was Mr. George Ferguson, editor of the *Montreal Star*. Mr. Ferguson was not appointed by the Canadian government to that position. He was nominated by the United States member, and he was elected by the members of the Economic and Social Council; and in no sense is Mr. Ferguson appointed by the Canadian government, the Canadian government did not instruct him and does not receive any reports from him; and as far as it is possible Mr. Ferguson in his membership on that commission is an independent expert on press matters acting in the service of international unity. The Soviet citizen on that same commission, if I remember correctly, is a member of the Soviet consular staff of the city of New York. The idea that somebody would act for the Soviet Union who would not be part of the Soviet administrative system, for the purpose of discussing international problems, is quite foreign to them. It is not only a matter of opposing something which is regarded as wrong; it is a matter of opposing something which is quite foreign to their system, or political background. Misunderstandings have arisen because of this difference of outlook, and I feel it will take a long time before we fully understand the difference of approach.

Mr. JACKMAN: I do not suppose that these European nations feel that they are backward as compared to other states, they have no inferiority complexes in regard to their attitudes with respect to these matters where they brush up against our concepts, I don't suppose.

The WITNESS: I have never detected any feeling of that kind.

Mr. BAKER: Could you say, Mr. Riddell, that the nations will for the time being have to agree to disagree as regards fundamental and domestic political principles, but they will have to try to agree on international political principles and then over the course of time you will hope that that will cause them possibly to come to some compatible political principles?

The WITNESS: Yes, if we take the long view. It requires a very long view.

Mr. BAKER: I mean, that is the only way the thing can possibly work out, according to my observations of the past few years.

The WITNESS: Now, Mr. Chairman, I suggest that there are also certain weaknesses which have been revealed in the organization itself, in the structure of the organization. I suggested that the general assembly was in a sense a kind of legislature of the world. But it is a legislature which sometimes is in danger of becoming nothing much better than an international propaganda agency. There is a possibility that the assembly of the United Nations will be used



simply for the purpose of making national cases without very much reference to the constructive results which may come out of this process. I think the only possible cure to that danger is on the one hand self-restraint and discipline on the part of the members of the United Nations; on the other, to develop rules of procedure which will make it possible to correct these practices. Some progress has been made in that direction. Rules of procedure were revised at the last meeting of the assembly; and you will remember, Mr. Chairman, that the Canadian delegation took some initiative in that respect. In the long run, however, if members of an organization want to sabotage its activities it is very difficult to stop them from doing so by rules of procedure; and no one would suggest that revision in the rules alone would provide a solution of this problem.

There are some limitations also to the extent to which the Security Council can function adequately. These limitations, of course, must be set against the background of differences which have arisen between the great powers. The best known of these handicaps is the veto. The term "veto" is a popular description of the rule of unanimity amongst the permanent members of the Security Council. The veto is the price which it was necessary to pay to secure the presence of all the great powers in the United Nations organization. It was generally thought at San Francisco that this price was not too great. It was also generally thought at that time that the veto would be used with restraint. Now, the veto is a thorough method of getting around the difficulty which arises out of the fact that all states of this world are not equal. There are some which have great power and which bear very heavy responsibilities and there are others with small power and with much less responsibility; and it is unrealistic to assume that the political weight of each of these groups will be exactly the same. The misuse of the veto is simply a symptom of the political tension which has developed since the inception of the United Nations charter; and although certain procedural reforms have been suggested, among them some which the United States for example has agreed to adopt, that would remove many of the abuses of the veto, I do not think that the veto itself will cease to hamper the work of the Security Council until there has been some general alleviation in the present international tension. It is only over a long period of time that, by the development through custom, through precedent of satisfactory procedures in the Security Council, that the veto will generally fall into disuse or be restricted.

The Security Council also is hampered at the present time through the absence of forces through which to make its decisions effective. In the absence of agreement amongst the great powers as to the course of action to be followed, it is perhaps just as well that the Security Council is not tempted to try to put its decision into effect by force just now. In the long run, however, one of the great weaknesses is the failure of the military staff committee to provide for military forces with which to give effect to the decisions of the Security Council.

Mr. JACKMAN: By the way, how far have they gone? Have they made any attempt at all to adopt an international police force?

The WITNESS: The meetings of the military staff committee are secret and we do not know a great deal about them. They have provided an interim report which indicated that no progress has been made. As far as we can find out, the military staff committee, which consists of representatives of the great powers, have not yet made any progress whatever toward providing the United Nations with armed forces.

Mr. Chairman, I do not think it is my function to try to evaluate the United Nations in terms of its importance in Canadian foreign policy. I should like



however to quote briefly from the statement which the Secretary of State for External Affairs made in the House on this question on April 29. I will quote two or three sentences only. He said on that occasion:

On repeated occasions the government has indicated that collective security through the operations of an effective international organization was a primary objective in the foreign policy of this country. This continues to be our policy. We are fully aware, however, of the inadequacy of the United Nations at the present moment to provide the nations of the world with the security which they require.

And later he said:

During the last two years our faith in the United Nations as an effective organization for peace and security has been pretty severely shaken. What is unshaken is our determination to make of it, or within it, an effective organization for these purposes. Unshaken also is our faith that this can be achieved. It is therefore important that the United Nations be kept in existence, and that we make every possible use of the very high degree of vitality which, in spite of these divergent opinions it has shown.

Mr. Chairman, I think at this point with your permission I will direct the attention of the committee to the report itself. I will be glad to receive your direction as to the procedure which we should follow.

The CHAIRMAN: Personally, I think members have not yet had an opportunity to digest the contents of this voluminous report so I hardly think it would serve any good purpose for you to take the report page by page. I think at this stage we might have questions as to the general statement which you have made before the committee this evening.

*By Mr. Jackman:*

Q. Mr. Chairman, might I ask Mr. Riddell this question? It was the hope, as I understand it, when the United Nations was formed that it was through its operations that gradually there would be built up a code of substance of international law to apply to the laws of international justice as they arose; and there would also be a code of procedure that would be built up as to how to go about these matters. Now, there have been a number of cases before the United Nations—Kashmir, Indonesia, Palestine, and a number of others that I cannot recall off hand; but has any code or the beginning of a substance of international law been developed; or, has it been entirely lacking in the last three years? What about the procedural law?—A. Only a beginning has been made in this direction, sir. The report which is currently before you, contains on page 244 a document entitled, A Statute of the international law commission. I will read the preamble to that section: "1. The International Law Commission shall have for its object the promotion of the progressive development of international law and its codification. 2. The commission shall concern itself primarily with public international law, but is not precluded from entering the field of private international law."

Q. Is that just statutory revision authority; or is it for the creating of new laws; or, is it for them to act as sort of law officers for the crown; or to introduce new concepts in international law?—A. I would think their primary function would be to codify the existing law; as the international court of justice functions and as any case law is built up out of experience, such as Kashmir. I would think that would be a new body of international law on which it would work.



Q. They have not had much chance to do anything?—A. They have not been set up. They are in the process of being established at the moment and the members will be named at the next meeting of the assembly. The nominations are now taking place.

*By Mr. Dickey:*

Q. Surely the building up of an international system of case law is a rather unsatisfactory way to proceed, is it not? After all, that is the British common law system which took many hundred years to evolve; and it would seem that some sort of international code would be more in keeping with the needs of a development of international law.—A. I would think that something of that nature was in the long run envisaged and there will be a very long process of development.

*By Mr. Jackman:*

Q. Do you mean the reasoning from abstract principle or from precedent? —A. I do not know of any consideration which is being given at the moment to the enactment of an international code of law which would go into effect on a particular day and which would be embodied in a single convention that might be signed by member states. If the members of the committee would like to explore this—

Mr. HARRIS: May I interrupt? The purpose of the international law Commission is, of course, to codify all international law, and on their appointment at the next meeting of the assembly so far as I could judge from the conversation of those parties interested in pursuing this work, they would go to work with the various text-books or statements of international law by the various countries and indicate in a general way the basic principles that should be adopted; not so much by writing it for the benefit of posterity but indicating the codes of the various countries in so far as they have accepted the same principles with respect to the same set of facts. Now, that in itself will be a long drawn out indexing job, if we want to put it on a very low level. It won't quite be that, because certain things which came up at the last assembly indicate the necessity for a statement of what might be termed new international law. There was discussion on the resolution on the crime of genocide which had not apparently been referred to in any known text-book of very much significance.

At any rate, the legal committee of the assembly was much concerned not to become involved in the definition of the crime for fear they would be overlooking some essential which maturer thought would provide. And that is the type of thing which the International Law Commission would have in hand—any new crime or any new set of facts which require a contemporary decision, as well as the codification of the existing learning on that type of international crime which heretofore had been dealt with. Do you agree with that?

The WITNESS: Yes, sir.

*By Mr. Winkler:*

Q. In regard to the difficulties within the Security Council that Mr. Riddell has been speaking of and the apparently insoluble differences between the east and the west, inasmuch as Russia seems to be the stumbling block as far as we are concerned, I would like to ask whether it appears to Mr. Riddell that there has been a tendency to more or less placate Russia in order to keep her in the United Nations rather than face up to the difficulty? That is probably a rather awkward question, but it often struck me that we were bending over backwards for fear that Russia might leave the Security Council.—A. The negotiations which preceded the adoption of the United Nations charter were ones in which the great powers, which were primarily responsible for bringing the United



Nations into existence, stated their positions. The position of the Soviet Union was, generally speaking, safeguarded in the charter. The procedures which the Soviet representatives have used in the Security Council to make it impossible for the Security Council to reach a decision on a question such as Greece, for example, are procedures which are legal and constitutional within the charter. The only way you could remove them—remove these difficulties, remove these procedures, would be by revising the charter. The revision of the charter itself is subject to a veto. Therefore, there is no way at the moment in which, against the will of any permanent member country, you could revise the charter or remove these obstacles. Therefore, you could not revise the charter without driving the permanent member who objected to the revisions out of the organization. I do not think it has been the policy of any member of the United Nations up to the present time to consider that the revision of the charter of the United Nations at the expense of destroying the very wide membership of that organization would be wise or expedient at this juncture. The time may arrive when it will be considered, but at the moment I think there is general agreement that the differences will not be pressed to the point of destroying the organization. There have, however, been efforts to circumvent some of these obstacles. For example, when it became impossible to take effective action in the Security Council to protect the northern boundaries of Greece the case was carried into the General Assembly and was debated at some length and with great energy in the General Assembly—and an account of those debates is given in this report. As a result of those debates a commission was sent to the northern boundaries of Greece to provide a kind of international watch on that border. The military effectiveness of that commission has not, of course, been great. The few members which constitute it, with their advisers and assistants are not able to protect that boundary, but they are able to report to the world constantly on what is going on on that boundary; and it is generally felt that the presence of that international commission watching on the northern boundaries of Greece and reporting on that situation has had a deterrent effect on the infiltration of trouble makers over the borders. I give that as an example of the way in which, without attempting to revise the charter at the moment, efforts have been made to find ways of advancing policy within the existing framework of the charter.

Mr. DICKEY: There is another question with reference to the Security Council which I wish to refer to. I might say that I consider your evidence very frank and very interesting, and I am sure that all the members agree with me. I was wondering if you could give us some idea of the result of Canada's participation as a member of the Security Council? Do you think it has been a valuable thing to us to be a member of the council, and has it been of any value to the United Nations? Have we made any particular contribution which has helped or in any way affected the deliberations or actions of the Security Council?

Mr. BAKER: I can speak from personal knowledge which I gained during my visit to Lake Success. General McNaughton, through his address, saved what would apparently have been armed conflict between Pakistan and India, and the Indian delegates agreed to go back to India. They flew back home. I think Mr. Riddell will bear me out in that. I happened to be there on that day, so I know of General McNaughton's contribution.

The WITNESS: The answer which I can give to that question is necessarily a limited one. It is more appropriately answered by a member of the government, and Mr. Harris may wish to say something about it. I might, however, make two or three general remarks about a question. In the first place, I think that willingness to accept the benefits of an organization implies also willingness to accept its responsibilities. Membership on the councils of the United Nations



although on the one hand regarded as a great honour and privilege, on the other hand is regarded as a great responsibility and obligation, and may require the member government to make decisions about questions that arise far from its borders, questions which are remote from its immediate political interests, such as the question which has been referred to here, the question of Kashmir. I would think, therefore, that the willingness of the Canadian government to accept these responsibilities and obligations which are involved in membership on the Security Council was itself an evidence of confidence in the organization and willingness to stay with it.

As far as profit to this country is concerned, there again my answer must be a limited one. In as far as the organization is strengthened by the willingness of members to accept these responsibilities, I would think certainly that this country had benefited. I would think also it had benefited by the experience which Canadians have gained by their presence in the discussions which have taken place in the Security Council. I would hope also that the United Nations had benefited by the kind of judgment that has been brought to bear on these issues by the Canadian delegation to the Security Council, although a member of the department is perhaps not the most appropriate person to make that observation.

Mr. JACKMAN: It is pretty well conceded that Canada has had an influence in United Nations affairs beyond its population and its wealth. After all, we have been elected to the Security Council even though we did replace Mexico; and judging by previous records I think we are a good deal more than holding our own and making a contribution greater than might be expected of a nation of our size in the proceedings of the United Nations. Mr. Harris would agree with that, would he not?

*By Mr. Dickey:*

Q. A question not connected with that, Mr. Riddell: my understanding is that the specialized agencies operated by the old League of Nations were, at least, one phase of the League of Nations which was considered quite successful. I wondered, judging by the standards set by the I.L.O. and other agencies operating under the League of Nations, if the specialized agencies now working under the United Nations, measure up to the promise given on the old basis? —A. I think, Mr. Chairman, that the record of the United Nations is most promising within the field of the specialized agencies. The International Civil Aviation organization which has its headquarters in Canada, is very rapidly working out an international code of operations for civil aircraft. The International Refugee Organization is, I think, vindicating its existence in the contribution it is making to the solution of what we hope is a temporary problem. I think the immigration services of this country have benefited greatly from the operations of the International Refugee Organization. The International Labour Organization is now a specialized agency of the United Nations and is continuing its functions.

A much more general effort is being made to organize these international technical bodies in the form of specialized agencies related to the United Nations and to have their functions co-ordinated through the United Nations so that overlapping will be eliminated and certain common services worked out. Very notable progress has, I think, been made in this connection.

*By Mr. Jackman:*

Q. On the chart which shows these specialized organizations they are shown, for the most part, by broken lines which indicate an indirect relationship. Do they get their budget and their funds from the international organiza-



tion? What is the meaning of the "indirect relationship"?—A. Each of the specialized agencies is organized through an inter-governmental agreement which sets up that organization.

Q. Independent of membership in the United Nations?—A. Of the United Nations; the organization then negotiates an agreement with the United Nations defining its relationship with that organization. When that agreement is concluded and ratified on both sides, the relationship is then established. That relationship, generally, has not been as close as was originally anticipated. It was thought, at one time, that the budgets of all these organizations might be co-ordinated and supervised by the United Nations; that has not proven to be possible. So far the central organizations of the United Nations, the General Assembly and the Economic and Social Council have a power only of review and comment on the activities of the specialized agencies.

Q. Take the International Civil Aviation Organization, for instance, that could exist entirely apart from the United Nations?—A. That is correct.

Q. It raises its own funds from its own members?—A. That is correct.

Q. No division of the United Nations, the Security Council of the General Assembly, has any disciplinary or other powers over ICAO?—A. They have no mandatory powers, but they have very considerable persuasive powers. An example of that has recently arisen in connection with the membership of Spain in the International Civil Aviation Organization. A resolution of the General Assembly required that Spain be expelled from all organs of the United Nations. Spain was, at one time, a member of the International Civil Aviation Organization. Its membership in that organization was dropped in compliance with the decision of the General Assembly.

Q. Has Russia become reconciled to the taking over of the old League of Nations specialized agencies and the more or less incorporation of them in the United Nations? I was interested in hearing Vernon Bartlett say on the radio the other day he was so glad to see so many of his old friends when he visited the United Nations. This gave rise to the thought that, perhaps, in the International Labour Organization many of the old personnel were still there and quite rightly so, from our point of view, but I understood Russia was against anything which had to do with the old League of Nations?—A. That is quite true. However, Russia is not a member of the International Labour Organization nor is she a member of most of the others. She is a member of the World Health Organization.

Q. Has she become reconciled to the old League of Nations independent organizations being associated with the United Nations? Has she ceased her objections?—A. Yes, I think that issue is pretty well settled. These organizations have pretty well blotted out or removed references to the old League of Nations.

Q. Just in passing, what has become of that old palace of the League of Nations?—A. It is being used as the European headquarters of the United Nations, and used quite extensively.

The CHAIRMAN: You made a statement which impressed me greatly when you stated that the activities of the General Assembly at Flushing Meadows seemed to be leading towards world government. My reactions on that score in Lake Success and Flushing Meadows were very concrete. I mean by that that the democracies such as Canada, the United States and Great Britain are always a little bit afraid of their own national sovereignty. On the other hand, you have Russia who is not so much afraid about national sovereignty as about political international sovereignty. I believe that is one of the skeletons in the closet which has stultified the activities of some of the other nations. I do not



think we have quite reached that stage yet, even in the democracies. In the democracies one is always faced with political responsibility. We are still not quite ready for world government.

The WITNESS: Mr. Chairman, if we are thinking in terms of world government, we must think in very long terms. It may be we are not even within very distant sight of it. It is only a beginning which has been made at Flushing Meadows and Lake Success. I do not think any nation will surrender any great measure of its national sovereignty if it feels insecure in doing so. It would be unwise to take such a step.

Nevertheless, from day to day, in many ways we do surrender little bits of national sovereignty, although we may reclaim them at any time. We are, in fact, taking part on a very small scale, in international activities which provide for international administration.

The CHAIRMAN: Are there any more questions?

*By Mr. Baker:*

Q. The International Bank and the International Monetary Fund, the United Nations Organization has no direct control over them, has it?—A. They are both specialized agencies. They both have agreements with the United Nations. Those agreements do not provide for very direct or immediate control. The United Nations, nevertheless, has power to review and comment on both of them.

Q. What I was thinking about in particular was the devaluation of the franc which took place against the wishes of the governing body of the International Monetary Fund. Nothing could be done about it. France just went ahead and did it. The United Nations has no control over that sort of thing?—A. All the General Assembly could do about a situation of that nature would be to pass a resolution expressing its approval or disapproval.

*By Mr. Dickey:*

Q. Several witnesses have referred to the ICAO budget and to the fact an assessment was made against Canada. I understand that is the manner in which this organization gets its funds, is that correct?—A. That is correct.

Q. The General Assembly has no control over that?—A. No, that is a matter of negotiation in the conferences of each of these organizations, and for agreement by the member governments.

Q. These organizations are essentially financially independent from the United Nations as an organization?—A. That is correct. Their budgets are subject to review by the United Nations. It might conceivably be that the assembly of the United Nations, or the Economic and Social Council in the course of reviewing the activities of these organizations would say that one of the organizations was spending too much money on a part of its activities in view of the fact the same work was being done by another organization. That is the kind of influence the United Nations can exert.

The CHAIRMAN: Any more questions?

*By Mr. Gauthier:*

Q. From what you said you thought maybe it would be possible that the veto might disappear by and by from the United Nations?—A. I think it might fall into disuse. I think if it fell into disuse it would not matter very much whether it was on the books or not.

Q. But to get rid of the veto every veto favoured nation would have to vote?—A. Yes.



Q. How can anyone believe that you will ever get co-operation among the nations of the world through U.N.O. when the whole thing starts from a non-co-operative point? The veto is in itself absolutely unco-operative. How can you get co-operation as long as you have the veto in the United Nations?—A. Well, I think the point is a very good one. As I suggested previously the veto is the price at which it was possible to get great power participation.

Q. It was a high price?—A. Yes. It is, however, also a function of this difference in size and responsibility amongst the nations of the world. There are proposals at the moment which the United States' government has made, and has offered to accept, that the use of the veto be restricted to those issues on which the actual use of the physical resources of the members is put into action. If that were adopted it would make a very great difference in the use of the veto.

*By Mr. Dickey:*

Q. There is no prospect of that being adopted.—A. No immediate prospect.

*By Mr. Leger:*

Q. You said Spain was once a member of ICAO.—A. Yes.

Q. And then she was asked to withdraw.—A. Yes.

Q. Is there any other organization from which Spain has been asked to withdraw?—A. I do not recall that Spain was ever a member of any of the other specialized agencies. It is not quite correct to say Spain was a member of the International Civil Aviation Organization because at the time that the resolution of the general assembly was passed—

Q. Did you not say that a little while ago?—A. Yes, I did, but at the time the resolution of the general assembly was passed ICAO was still a provisional organization. When they met to set up their permanent organization, they had then to consider the question of who would be members, and they did not include Spain in the permanent organization although she had been a member of the provisional organization.

*By Mr. Dickey:*

Q. Did that not result from the fact that the original Chicago conference antedated some of the organization of the United Nations, and Spain was represented at Chicago?—A. That is correct. Mr. Chairman, at a previous meeting Mr. Fleming asked for information concerning the arrangements for the construction of the headquarters site of the United Nations, and I said I would make the information in this connection available at a later meeting. I might put on the record a few brief details in that connection. The headquarters site in Manhattan is to be constructed on the basis of a loan agreement with the government of the United States for an interest-free loan in an amount not to exceed \$65,000,000. This loan is to be repayable to the United States in annual instalments through a period of thirty years beginning in 1951. These arrangements have been approved by the United States administration but have not yet been finally approved by Congress. This agreement will become effective, of course, when it has congressional approval, and has been approved also by the president. The repayment of the interest-free loan by the United Nations out of its ordinary budget will begin on July, 1951, with annual instalments due on the same day each year until 1982. Payments begin at \$1,000,000 and increase to \$2,500,000 in 1966 when one-half of the loan will be paid. Thereafter repayments taper off. No decision has yet been made on the allocation of assessments for repayment of this loan.



*By Mr. Dickey:*

Q. On the question of the site of the permanent home of the United Nations what are the considerations with respect to that? My question has been prompted by the recent press report about the activity on the part of some of the states to have the decision changed so that the permanent home will be in Europe rather than on the American continent.—A. The possibility of changing the site back to Europe was discussed at some length in 1946; in the general assembly of 1947 there was no discussion on that question at all. It was taken for granted the thing had been decided, that it would be in the United States. The next session of the general assembly will be held in Paris, but that is for one session only. That decision was made for a number of reasons, one of which was that permanent buildings have not yet been provided in New York.

*By Mr. Baker:*

Q. In recent press reports I noticed some of the Arab states have been objecting to the United States as a permanent home.

*By Mr. Dickey:*

Q. My question really was what are the considerations? I do not want you to give us a personal opinion of what you think is the proper site, but what are the various considerations that have been kept in mind in making this decision? What difference does it make where it is?

Mr. JACKMAN: You want to make sure that the United States is a member and an active member. Is it not that which is the determinant?

The WITNESS: There was a very long discussion on this subject, when the site question was first decided that they should come to North America, at London in January of 1946. The vote on the question was a relatively close one. There were some states, including Canada at that time, at the first session which thought a European site would be preferable. There were many considerations involved in the choice of an American site. There are 21 Latin American republics. There has undoubtedly been a shift of power from western Europe across the Atlantic. There were facilities which the United States was able to make available. It was evident that western Europe, the alternative site, would be an unsettled area, for a few years at all events, after the war. There were many considerations of that nature. I am not sure which of them if any, was decisive.

*By Mr. Benidickson:*

Q. What were the considerations that prompted Canada to support a site other than North America?—A. The tradition which the League had established at Geneva, and also the facilities which were already available there which might have been put to use, were two important considerations in that respect. The issues also which would be under discussion are centred more on the other side of the Atlantic than they are on this side of the Atlantic. Once the decision had been made to locate the site in America, the Canadian delegation agreed in it and did not participate in the effort to revise the decision.

*By Mr. Winkler:*

Q. In that case did the United States refrain from voting?—A. I am sorry, I haven't a record of the actual vote on that issue.

Q. And Russia supported the United States, did she not?—A. Yes, when the choice was originally made.

The CHAIRMAN: Shall items 52 and 67 both inclusive carry?

Carried.



The CHAIRMAN: Shall I report these back to the House?

Carried.

Mr. HARRIS: Might I just say something further on this, Mr. Chairman, because I do not want to be misunderstood by not adding to what Mr. Riddell said about our representation. I think all members of the committee and all Canadians who follow the proceedings, particularly of the United Nations, will agree that our representation has been outstanding at all times, both in the Security Council and at the assembly itself. Part of this I am sure is due to the method we have followed of choosing members from all political parties to represent us at these assembly meetings. In part also it has been due to the efficiency of the Department.

There are several factors which enter into the position we have gained in the United Nations; one is that we entered upon it I think without any axe to grind, and without any other nation being able to suggest that we had one. And in so far as our experience went, with our ability, we did try—and when I say “we” I mean the Canadian representation and not in any sense myself—we did try to take a view which would lead only to one thing; that is, making the United Nations as an organization function successfully in building up such a measure of security and peace as might be possible under present conditions. The other factor which should be borne in mind in connection with our representation is this; that small as our Department of External Affairs might be in numbers we have had it for some twenty odd years and it has grown up with the people who joined it during that time, and we have not had shall I say many changes in personnel, we have had additions of a great many people who are at the moment in charge of various divisions of the department; and when you go to a United Nations meeting and look over the delegations you can see that in a great many countries there have been violent changes in government in that period, and the representation might be bolstered by old-time civil servants, but in a great many cases you will find delegations manned by people who have not had anything like the experience that our own department has had in dealing with world affairs, even on the small scale which we have so far attempted. So that when we send a representation to this organization they are not by any means what might be termed neophytes—I think it was Mr. Hackett who referred to them as such the other day—we are neophytes in the sense that as a country we are young, and we are young in this work; but I believe the people whom we send to these meetings are not young in experience when you compare them with the average of the people with whom they have to deal.

There is the other factor which Mr. Hackett mentioned. I think he put it somewhat this way; that we should not allow our vigour as a young nation to be used by others for their own purposes. I suggest that that is highly unlikely, because we have seen enough of these meetings not to be used except for the purpose we think to be best.

Now, I can only add this, with respect to General McNaughton's present representation on the Security Council. You are aware of the organization of the department into its several branches on commonwealth, American and foreign country divisions and so on; but you should bear in mind that a new division, the United Nations, has recently been set up under Mr. Riddell, and that their primary duty is to direct their attention particularly to affairs relating to the United Nations; and that was done prior to taking on the responsibility of membership in the Security Council. The representation of this country is a two-fold one; General McNaughton functioning on the Security Council, with all the skill and experience he has had in the affairs of this country in the past with his background which comprises not only in military but scientific experience as well as his statesmanship—

Mr. JACKMAN: Don't elaborate the latter one too much.



Mr. HARRIS: Well, I will put it this way; he has also been supported by the division at Ottawa; and we can leave it to the end of the term the assessment of his qualities of statesmanship. In the meantime I think you will agree with me that the Security Council representation of this country is of a very high order, both through the direction it is getting here through Mr. Riddell's division, and in the presentation of its views at the Security Council.

The CHAIRMAN: Mr. Riddell, in the name of the committee I want to thank you most sincerely for this very fine presentation, and I also want to thank all the officials of the department for their kind co-operation and assistance always so willingly given.

Before we adjourn I should report to you that at the last meeting of the steering committee, last Friday we discussed the possibility of General McNaughton appearing before the committee, and it seems that it is now too late in the session and that his appearance cannot be arranged.

Before we adjourn we have before us a formal motion by Mr. Fleming of which notice was given on Wednesday, June 9, 1948, reading as follows. That this committee request the government to appoint a national commission in accordance with article 7, of the constitution of the United Nations Educational Scientific and Cultural Organization. I believe we might leave that.

Mr. HARRIS: We will have to have this motion disposed of if possible as it is the only unfinished business remaining before the committee.

Mr. JACKMAN: Mr. Fleming is in the House. Possibly we could get him up here.

The CHAIRMAN: Mr. Fleming, we are glad to have you here. We just reached your resolution and we are awaiting Mr. Riddell who is obtaining some information as to its meaning.

Mr. FLEMING: I am sorry, Mr. Chairman—

The CHAIRMAN: I know you are busy.

Mr. FLEMING: I was waiting down in the House all evening for a particular item of business to be reached. So far, the waiting has been in vain. I might better have been up here since half past eight.

The WITNESS: Mr. Chairman, I am not sure there is very much I can say with regard to this matter except to read the relevant article from the constitution of UNESCO. Article 7 of the UNESCO constitution states that:

Each member state shall make such arrangements as suit its particular conditions for the purpose of associating its principle bodies interested in educational, scientific and cultural matters with the work of the organization, preferably by the formation of a national commission broadly representative of the government and such bodies.

This is permissive and not mandatory. It leaves it to member states to decide how, at any particular time, the work of the cultural and educational bodies in that state shall be co-ordinated with the work of UNESCO as a whole. It suggests that a national commission is the preferable form to make this association but, as I say, it leaves it to each member state to make such arrangements as suit its particular conditions.

So far, the government has considered that the particular conditions in Canada are not such as to warrant the establishment of a national commission and that step has not been taken. The arrangements for co-ordination between the educational, scientific and cultural organizations in Canada and UNESCO are, therefore, carried on through the Department of External Affairs which designates a particular officer for this purpose.



*By Mr. Benidickson:*

Q. Do you invite these various cultural societies to give you the benefit of their views?—A. Yes, sir, we keep in contact with them continually by correspondence and by interviews.

Q. I suppose they submit a lot of suggestions without request?—A. Yes, that is the case. I can give you an example of the way in which contact is maintained. There will be three seminars, three teachers' seminars conducted by UNESCO this summer; one in Prague, one in London and one in New York. These are organized and conducted by UNESCO. UNESCO sent to the government of Canada an invitation to send teachers to these seminars. This invitation was transmitted to the Canadian Education Association with the request that the Canadian Education Association in consultation with the Canadian Teachers' Federation and a teachers' organization in the Province of Quebec, should make the necessary arrangements for representation at these conferences. These arrangements have been made.

Q. Who are the trainees? Who are they teaching?—A. Who?

Q. You say they are being taught. Who are they teaching?—A. The teachers from the schools.

Q. Who do they teach?—A. They go to the seminar for the purpose of discussing international affairs amongst themselves.

The CHAIRMAN: For the information of the members of the committee who had to be absent, we are now discussing a motion by Mr. Fleming that this committee request the government to appoint a national commission in accordance with section 7, of the charter of the United Nations Educational and Scientific Association. Are you ready for the question?

*By Mr. Beaudoin:*

Q. I should like Mr. Riddell to give the name of the teachers' association to which he referred in Quebec. Is it L'Alliance Catholique des Professeurs de Montreal?—A. It is Monsieur Guindon's organization, La Corporation Generale des Instituteurs et Institutrices de la Province de Quebec.

Q. What contact have you with the provincial secretary of the provincial government in relation to UNESCO matters?—A. The most direct contacts with the provincial governments on UNESCO matters are through the Canadian Education Association, which is made up of representatives of the provincial departments; that is, the members of the Canadian Education Association include the official in charge of all the provincial departments of education and on educational matters it has been the practice of the department to correspond with the secretary of the Canadian Education Association and through him with that body.

I am not aware of many matters coming to the attention of the government from UNESCO which affect the administration of educational matters within the provinces. If such matters did come to our attention, they would be referred to the provinces through the normal channels by which the federal government corresponds with the provincial governments. I am not sure that I have answered your questions satisfactorily.

Q. Well, you have answered as much as you know.

The CHAIRMAN: Are you ready for the question?

Mr. FLEMING: I want to say one word about this, too. The motion is put simply in the form of a request that the government appoint a national commission. The appointment rests entirely with the government under the charter, and this is simply a request to the government to appoint. I think the statement



Mr. Morse made is fresh in our minds. I think all of us must be aware of a number of organizations that are interested in the work of UNESCO which have passed motions and resolutions asking for the appointment of a national commission to help to encourage their work. I think the general feeling of organizations of that kind is that the appointment of a national commission would help very much in this country in stimulating support for UNESCO.

Mr. BEAUDOIN: I am very much in sympathy with the recommendation of the United Nations Society but although the Canadian government has been one of the first in many instances to adopt recommendations or constitutions recommended by the United Nations I think in this case we might be more careful, and we may not have to be one of the first again. I understand there are about forty nations which belong to UNESCO—

Mr. JACKMAN: Thirty-three out of forty-seven.

Mr. BEAUDOIN: I think twenty was the statement made by Mr. Morse. I am referring to the statement which was made in the House by Mr. St. Laurent in which he says:

In the meantime the department is providing the channel of communication between UNESCO and the various educational, scientific and cultural bodies co-operating with the government and with organizations in this country.

I think the government is doing all it can. There is a grouping of societies at the present time, and the government is providing the channel which is necessary. I do not share the opinion of Mr. Morse that we have to proceed now on this matter. It is only three years since the San Francisco charter was enacted. I would feel at the present time it might be premature to request the government to appoint a national commission for UNESCO. I think we have to leave this present organization, the channel provided by the Department of External Affairs and all the associations which have been brought into relation with the department, to carry on for a little longer and mature in this work precisely because of the intricacies of the whole constitutional system. I think the best way not to defeat the purpose that we seek to attain is precisely not to act too hastily. I am not against the proposal. I wish it could be brought about, but because I think it is not the proper time I will vote against the motion.

The CHAIRMAN: Is there any further comment on the motion?

Mr. JACKMAN: Taking Mr. Beaudoin's suggestion as to the intricacies and difficulties of having such an organization in Canada, Mr. Beaudoin says he is in favour of it eventually. I should think that as soon as Canada starts getting a UNESCO co-ordinating organization, if I may call it that, going in Canada the sooner we will arrive at the type of organization which can make effective our contribution to the work of the United Nations central organization; and for that reason I would think that Mr. Beaudoin's argument might be termed in favour of the resolution rather than against it.

Mr. BEAUDOIN: Mr. Chairman, I do not agree in the viewpoint which has been expressed by Mr. Jackman. It is not useful to set up the organization called for by this resolution if it is not to operate as effectively as it is desirable. As I see it, Mr. Chairman, Canada may contribute fully to the work of UNESCO under the existing conditions and the institution of the said commission may be more properly decided at a later date.

The CHAIRMAN: You have heard the question? Those in favour? Those opposed?

I declare the motion lost.

I want to thank the members of the committee who found it possible to take the time to attend the sitting of the committee this evening.



Mr. WINKLER: Did you say that item 57 carried?

The CHAIRMAN: Yes.

Mr. WINKLER: Mr. Hackett intended to move an amendment. I wonder if that could be left open?

The CHAIRMAN: We had a special request if it was at all possible to finish the estimates as quickly as we could.

The committee adjourned.























