



Canada. Parl. H.of C.
Standing Comm.on
External Affairs.
Minutes of
proceedings & evidence. 2d Sess

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SECOND SESSION
HOUSE OF COMMONS

STANDING COMMITTEE

OF

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

FRIDAY, NOVEMBER 18, 1948

Committee of the Department of External Affairs
in 1948-49.

PRINTED BY THE GOVERNMENT OF CANADA
OTTAWA, 1948

1949

SECOND SESSION

HOUSE OF COMMONS

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

FRIDAY, NOVEMBER 18, 1949.

Estimates of the Department of External Affairs
1949-50.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1949

ORDER OF REFERENCE

HOUSE OF COMMONS,
Wednesday, 12th October, 1949.

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

Messrs.

Balcer	Diefenbaker	Leger
Bater	Fleming	Low
Beaudoin	Fournier (<i>Maisonneuve-Rosemont</i>)	MacInnis
Benidickson	Fraser	Macnaughton
Bradette	Gauthier (<i>Lac St. Jean</i>)	McCusker
Breithaupt	Gauthier (<i>Portneuf</i>)	Mutch
Campney	Graydon	Picard
Coldwell	Green	Pinard
Côté (<i>Matapédia-Matane</i>)	Hansell	Richard (<i>Ottawa East</i>)
Croll	Harris (<i>Grey-Bruce</i>)	Robinson
Decore	Laing	Stick
Dickey		Winkler—35. (<i>Quorum 10</i>)

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.

Thursday, 17th November, 1949.

Ordered.—That Votes Nos. 51 to 70 inclusive, of the Main Estimates 1949-50, and Nos. 766 to 779 inclusive, of the Further Supplementary Estimates 1945-50, be withdrawn from the Committee of Supply and referred to the Standing Committee on External Affairs, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

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

Friday, 18th November, 1949.

Ordered.—That the said Committee 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.

Attest.

LÉON J. RAYMOND,
Clerk of the House.

REPORT TO THE HOUSE

FRIDAY, November 18, 1949.

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 and 200 copies in French of its minutes of proceedings and evidence and that Standing Order 64 be suspended in relation thereto.

All of which is respectfully submitted.

J. A. BRADETTE,
Chairman.

Note: Concurred in this day.

MINUTES OF PROCEEDINGS

FRIDAY, November 18, 1949.

The Standing Committee on External Affairs met this day at 11.30 o'clock. Mr. J. A. Bradette, Chairman, presided.

Members present: Messrs. Balcer, Bater, Beaudoin, Benidickson, Bradette, Campney, Coldwell, Decore, Dickey, Fleming, Fournier (*Maisonneuve-Rosemont*), Fraser, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Graydon, Green, Harris (*Grey-Bruce*), Leger, Low, MacInnis, McCusker, Richard (*Ottawa East*), Robinson, Winkler.—24.

In attendance: Honourable Mr. L. B. Pearson, Secretary of State for External Affairs; Mr. A. D. P. Heeney, Under Secretary; Mr. H. O. Moran, Assistant Under Secretary; and Mr. S. D. Hemsley, Chief Administrative Officer.

The Chairman extended a word of welcome to the new members and to the newly-elected Members of Parliament who serve on the Committee.

The Chairman read the Orders of Reference.

On motion of Mr. Coldwell, seconded by Mr. Fraser, Mr. Graydon was elected vice-chairman.

On motion of Mr. Beaudoin:

Resolved,—That permission be obtained to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence.

The appointment of a Steering Committee was deferred.

The Committee proceeded to consider Vote 51—Departmental administration—of the estimates referred.

Honourable Mr. Lester B. Pearson, Minister of External Affairs, was questioned at some considerable length on international affairs and Canada's relations with other countries. Mr. Pearson was assisted by Messrs. Heeney, Moran and Hemsley.

At the request of Mr. Green, a report of the work of the Far Eastern Commission will be made available to the Committee.

In the course of his questioning, Mr. Graydon reiterated his suggestion to designate as Minister of External Affairs the Secretary of State for External Affairs.

At 12.55 o'clock, the Committee adjourned until 3.30 o'clock this day.

AFTERNOON SESSION

The Committee resumed at 3.30 o'clock.

Members present: Messrs. Bater, Beaudoin, Benidickson, Bradette, Coldwell, Dickey, Fleming, Fournier (*Maisonneuve-Rosemont*), Fraser, Gauthier (*Lac St-Jean*), Gauthier (*Portneuf*), Graydon, Green, Harris (*Grey-Bruce*), Leger, Low, MacInnis, McCusker, Richard (*Ottawa East*), Robinson and Winkler.—21.

In attendance: Same as at the morning session.

The Committee resumed its consideration of Vote 51 of the estimates referred, and concluded the questioning of the Minister of External Affairs on international affairs and Canada's relations thereto.

At 4 o'clock, an invitation to the members of the Committee to attend a reception by The Speaker of the House in honour of Field Marshal The Earl Wavell having been received, the proceedings were suspended until 4.15 o'clock.

In answer to Mr. Fleming, Mr. Heeney undertook to prepare for presentation a detailed analysis of departmental expenditures.

The Chairman expressed the Committee's appreciation to Mr. Pearson for his informative and factual answers.

At 5.45, the Committee adjourned until Tuesday, November 22, at 3.30 o'clock.

ANTONIO PLOUFFE,
Clerk of the Committee.

EVIDENCE

FRIDAY, November 18, 1949.

The CHAIRMAN: Order, gentlemen.

Before we proceed I wish to extend a most cordial welcome to the new members of our committee, a number of them being newly elected members of the House of Commons. I also wish to thank you, gentlemen, for coming in early, and your interest is a good omen for the activities of this committee.

I shall first read the order of reference: (Read. See Minutes of Proceedings.)

The second order of business is the election of a vice-chairman.

Mr. COLDWELL: I move that Mr. Graydon be the vice-chairman.

Mr. FRASER: I second that motion.

Carried.

The CHAIRMAN: With respect to printing of evidence the motion is:

"That the said committee be given permission to print from day to day copies in English and copies in French of its minutes of proceedings and evidence."

Last year we printed 500 copies in English and 200 copies in French.

Mr. BEAUDOIN: I so move.

Mr. LEGER: I second.

Carried.

The CHAIRMAN: I think that the matter of appointing a steering committee may be left until later.

We all know of the present very heavy responsibilities of our Minister of External Affairs and I believe that it will be in order for me as chairman, to felicitate him on the statement that he made in the House. My remarks also apply to all speakers of all parties who spoke on the affairs of this very important department. We are indeed fortunate to be able to sit this morning and, as it will be impossible for Mr. Pearson to be with us the whole of next week we will try to hold another meeting today.

I shall now call item No. 51, page 9, in the book of Estimates for the year 1950—departmental administration.

Mr. FRASER: I would like to ask the minister a question. Who have you got at the present time in China? Have you got any counsellors there at all? How many people have we and where are they located?

Hon. Mr. PEARSON: We have our embassy in Nanking although the Ambassador himself is in Canada. We have in charge of that embassy a first secretary, Mr. Ronning who has the local rank of Counsellor. He has had long experience in China, having lived there many years. He has a small staff. Mr. Heeney, the deputy minister, will be more familiar with the details than I am. We also have a consulate general in Shanghai which is still functioning as normally as conditions permit.

Mr. FRASER: What about Hong Kong?

Hon. Mr. PEARSON: There is a Trade Commissioner in Hong Kong but he is not under our department.

Mr. FRASER: There is something else I would like to ask. Since this committee met last I believe the minister has done away with what might be called "handles" for our ambassadors in different places. He has done away with the "excellencies" and that sort of thing. Are those gentlemen now addressed as plain "Mister".

Hon. Mr. PEARSON: All our heads of missions would be very glad to be addressed as plain "Mister". We encouraged that but I do not think any formal action on our part was taken. Our communications from the department to the heads of missions are addressed "Dear Mr.—". We cannot do away with foreign governments following the traditional practice of calling all sorts of people "Excellencies".

Mr. FRASER: There was a press notice months and months ago regarding the matter. I just wondered how it came about.

Hon. Mr. PEARSON: Perhaps you are thinking of the development that took place some months ago in connection with the status of commonwealth representatives in other commonwealth countries. The position was reversed there and their status and formal position was increased to put them on a level with foreign representatives in commonwealth countries. I understand High Commissioners in London are now entitled to call themselves "Excellencies" if they so desire. However, the provision is only permissive.

Mr. FRASER: The reason I asked the question is because I feel that in foreign countries, for prestige reasons, it should not be a rule that our people must be called Mister.

Hon. Mr. PEARSON: Quite so. We do not attempt to advise other countries what they shall call our representatives. They follow their own practice and we follow their practice in respect of their representatives. If a representative from a foreign country is addressed as His Excellency by that country we follow suit.

Mr. COLDWELL: Had I had an opportunity of speaking in the debate yesterday I would have raised a question which the Minister touched on very briefly in his address. It had to do with the situation concerning Canadian citizens crossing the border into the United States. We have had a couple of pretty glaring cases in the last year or so. One incident concerns Professor Glen Shortliffe of Queen's University. He accepted a post as a professor of languages at St. Louis, Missouri. He made all arrangements to go there; gave up his position; and much to the inconvenience of the professor, of Queen's University, and of the university in the United States, he was admitted and then refused admittance. There have been other cases, like that of Professor Fairchild—

Hon. Mr. PEARSON: Fairley.

Mr. COLDWELL: A recent article published in *Maclean's Magazine* also has some bearing on the attitude of some of the American authorities. I think we all want to maintain the best possible relationships with the United States. We admire the American people and I believe this type of incident is a matter which may have come under the review of people who perhaps did not know or understand the situation. It has caused a great deal of misgiving in the minds of a good many Canadian people. I have gone through some of Professor Shortliffe's addresses and heard many of his radio speeches. Like other professors he endeavours, in discussing international affairs, to give two sides of a question although that is sometimes misunderstood. I have a letter written by a very prominent conservative in Kingston speaking of Shortliffe's war record, his associations there, and refuting the idea that in any way he was a communist or even a fellow traveller. I think this is a matter which does concern Canadians generally and it concerns the Department of External Affairs.

I would like to know just what the department did regarding the Shortliffe and Fairley cases?

Hon. Mr. PEARSON: I am very glad to deal with this matter, Mr. Chairman. I did touch on it in my statement two days ago.

We have received protests in the department in respect of certain Canadians who have been refused admission to the United States. Our general attitude, of course, must be based on the complete control by the United States authorities of their own immigration procedure.

Mr. COLDWELL: Certainly.

Hon. Mr. PEARSON: They have the right to determine who will enter their country. Nevertheless, when a case is submitted to the department with the request that we intervene with the United States because of their refusal to admit a Canadian into their own country, if the circumstances warrant, we do intervene. We ask the State Department to investigate and to ascertain whether an injustice has been done. That is as far as we can go formally. We have gone that far in the cases which have been submitted to us that seem to warrant that procedure, including the two cases which Mr. Coldwell has mentioned.

I may say, in addition, that we are a little worried about the reaction in Canada generally to the refusal of admission to the United States of certain Canadians on alleged security grounds. I have discussed the matter personally with the Secretary of State and I asked him if he would look into the matter to see if something could be done to prevent this becoming an important issue. I have no doubt action has been taken.

The United States security laws governing admission into that country are very strict but they are the result of congressional action. One result of that action has been the establishment of what they call black lists of organizations as well as of people. Through their immigration authorities, they exercise their right of refusing admission to their country of people who they think are associated with any organizations which they have black listed. I should add, Mr. Chairman, that in taking this matter up with the United States authorities, we have arranged a conference of officials of both governments to see if the difficulties can be ironed out, and we hope as a result that some of the complaints which we have received will not occur in the future. One final thing though I should say: when we get complaints from the United States in regard to these matters we tell our correspondents in the United States that the remedy is in their own hands; to take it up with their own government.

Mr. COLDWELL: As a matter of fact I believe the ban against Mr. Shortliffe has been lifted.

Mr. GRAYDON: Before asking a question of the minister I want to thank the membership of this committee for appointing me vice-chairman. I may say that this is the first overwhelming victory that any member of our party has had for quite a while. I want to make a note of that and thank everyone who has been responsible for it.

Now I would like to ask the minister, however, how the American authorities get evidence upon which they base their refusal to admit certain people to their country. Do they get it from some Canadian authority or have they some kind of a network in here themselves by which they get the evidence on those very gentlemen whom they refuse to let in to the United States.

Hon. Mr. PEARSON: They do not get it from the Department of External Affairs. They have their own immigration officials in Canada; there are no doubt people in this country who write letters to the United States authorities which tell them, "don't let so and so in, he is a red." I don't know how they get the information. That is one of the things they may be discussing in this conference.

Mr. COLDWELL: I think in the Shortliffe case they got it from a scurrilous anti-C.C.F. publication in the country. I am not going to name it.

Mr. RICHARD: Would there be any good purpose served in limiting the number of Russians and their friends who serve on consular or embassy staffs or chargé d'affaires staffs, in Canada—limiting their number to the same number as we have in Russia, or should we have more in Russia to discourage them having so many here?

Hon. Mr. PEARSON: That matter has been considered. It might be felt that in certain conditions the strength of the staff is greater than that which is required for normal diplomatic and consular business, but we hesitate to take any formal action of that kind and ask a foreign embassy to limit its staff to the number we have in their country. If we feel we have in that particular country a staff adequate to take care of the business we think should be done for Canada, then we don't worry too much about the number that are required by that country to do their business here. If, however, they took steps to limit our numbers and to prevent us doing our job, then we might have to review the situation in that light.

Mr. McCUSKER: When we send an ambassador to a country does he employ his servants from among the nationals of that country?

Hon. Mr. PEARSON: That depends upon circumstances. Normally that would be the case.

Mr. McCUSKER: But other countries like Russia for instance coming here, and setting up a mission, bring all their servants with them.

Hon. Mr. PEARSON: That is quite right. By and large the whole staff of the U.S.S.R. consists of U.S.S.R. nationals. Occasionally they do employ a local person, but in our case taking a Canadian to a foreign country for that kind of work would be the exception.

Mr. GREEN: Is the Far Eastern Commission still functioning? Canada, I believe, has membership on that commission, and at the time it was set up the then United States Secretary of State, Mr. Byrne, pointed out that they had a responsibility for straightening things out in Japan. Now it would appear that they have just been shoved into the background and have very little influence on what goes on in Japan. I think it would be helpful if the minister could explain his position in regard to that commission.

Hon. Mr. PEARSON: The Far Eastern Commission is still functioning and I think it had a meeting in Washington the day before yesterday. It has not been as active as it would have been if conditions had not made impossible negotiations for a Japanese peace treaty. In that regard it might have been used as a preliminary agency. But a great deal of work has been done by the Far Eastern Commission, and it has given advice to the occupying authorities in Japan. But for obvious reasons, because of the split between east and west, which reflects itself even in the Far Eastern Commission, that commission has not been able to do the job that some people thought it would have done when it was set up.

Mr. GREEN: How many members are there on that committee?

Hon. Mr. PEARSON: All the far eastern countries are represented. The U.S.S.R. and China, India, Australia, New Zealand, United Kingdom, France, Netherlands, and Canada of course. Pakistan and Burma joined the commission the day before yesterday. I do not know whether that is supposed to be secret information or not but they attended their first meeting the day before yesterday, so it is a pretty representative body as far as countries are concerned.

Mr. GREEN: Is there any chance of it being used to do preliminary work leading to the conclusion of a peace treaty with Japan? I notice in the press it would appear that the four powers, the United States, Great Britain, France and Russia are taking the lead now in working toward a Japanese peace treaty.

Hon. Mr. PEARSON: To what extent the Far Eastern Commission could be used in that connection would depend on whether the four permanent members of the Security Council would be able to reach an agreement on whether such a conference should be held, when it should be held, and under what circumstances. There has been no such agreement up to the present time.

Mr. GREEN: Is there a Chinese delegate sitting on the Far Eastern Commission and also working with the delegates from the other four permanent members of the Security Council?

Hon. Mr. PEARSON: Yes, there is a Chinese delegate on the Far Eastern Commission. He has been there for some years now.

Mr. COLDWELL: A change in the recognition of the government of China would mean a change in the Chinese personnel of that commission?

Hon. Mr. PEARSON: A general recognition of the communist government of China would mean a change in the personnel of the Chinese representation on international bodies.

Mr. GRAYDON: Has the government of India recognized the Chinese communist government?

Hon. Mr. PEARSON: The position of the Indian government was, I think, referred to by the Indian Prime Minister the other day, to the effect that they are going to give the matter consideration. Their position in that regard is more or less like our own: they have not indicated whether they will recognize the communist government of China or whether they will not recognize it.

Mr. GREEN: Without recognition by us or some of the bigger powers like the United States, will that mean any change so far as China's permanent seat on the Security Council is concerned?

Hon. Mr. PEARSON: That is a very difficult question, and that is one of the reasons why it is very important that as many states as possible take the same action. If some members of the United Nations recognize the Chinese communist government as the government of China and others continue to recognize the nationalist government of China as its legitimate government, we would be in a very difficult position. I do not know what would happen. We would have two claimants to the seat on the Security Council and the Security Council itself would have to decide. So it is very important that whatever action we take we take it together.

Mr. GREEN: So far recognition has been given by Russia and its satellites only?

Hon. Mr. PEARSON: Yes. No other states have recognized the Chinese communist government yet.

Mr. GREEN: Who is the other Canadian delegate on the Far Eastern Commission?

Hon. Mr. PEARSON: Mr. Collins, the second secretary in the Canadian embassy in Washington is the alternate Canadian delegate to the Far Eastern Commission.

Mr. GREEN: Would it be possible for us to get reports of the Far Eastern Commission? We do not get information like that.

Hon. Mr. PEARSON: We would be very glad to submit to the committee a report on the work of the Far Eastern Commission and even have Mr. Collins come up here if necessary.

Mr. GRAYDON: Is there any objection to having the committee call the Canadian Ambassador to China to appear before it?

Hon. Mr. PEARSON: I see no objection to that, but I would like to point out that an ambassador on leave is in a very difficult position with regard to public appearances. It has been suggested that ambassadors might, when they come back to Canada from a foreign country, explain the Canadian policy in respect to that country to which they are accredited. Diplomacy of course, if it is to be useful, has to be conducted with discretion and an ambassador coming back to Canada and talking too much about the policies of the country to which he is accredited might not be of much use when he returns there. Mr. Davis is in this

position. He may or may not be going back to China, but if he did appear at an off-the-record session, I think it might be interesting.

Mr. COLDWELL: That is, "off the record"?

Hon. Mr. PEARSON: Well, it could be done that way. If it was off the record, he would be in a much freer position to discuss matters. That will be for the committee to decide.

Mr. MACINNIS: In case Russia holds up a peace treaty with Japan indefinitely, which is very likely, are the other powers considering any action they might take.

Hon. Mr. PEARSON: Consideration is being given to the possibility of going ahead without the U.S.S.R. However, I think it likely that that problem will be related to the Chinese problem. It will be one thing to have a Japanese peace conference and a representative of the nationalist government of China there, and it will be another thing to have one with a representative of the communist government there. Until that matter is cleared up one way or the other, there cannot be very much progress in respect of some of these matters.

Mr. GREEN: I would like to ask the minister about the present position concerning the Hyde Park Declaration. That declaration was first made on April 20, 1941, and then in May of 1945, the principles of the Hyde Park Declaration were extended into the post-war transitional period with special reference to the problems of recognition of industry. I would judge from statements made by the Prime Minister and the Minister of Defence within the last few weeks that this Hyde Park Declaration is now of no effect, but I may be wrong in that. Could the Minister explain just what the present position is?

Hon. Mr. PEARSON: Well, that is not easy to do, and I would like to have a chance to look into the matter. The Hyde Park Declaration was a wartime declaration of principles governing trade between two countries. And as you have said, Mr. Green, we have not assumed that those principles would apply in the post-war period after reconversion.

Mr. GREEN: There were letters setting out that it would be applicable in the post-war period of reconversion.

Hon. Mr. PEARSON: That is quite true. But the period of reconversion has, I think, been completed. This Hyde Park Declaration was never a formal arrangement in the sense of a treaty or convention, and we could not hold the United States to that arrangement, nor could they hold us to those terms. But we did hope that that spirit would prevail in the post-war period so that we would be able to buy United States supplies for defence purposes, which could only be done if financial exigencies were met by the United States buying an equivalent amount of material in Canada.

Mr. COLDWELL: A sort of barter arrangement?

Hon. Mr. PEARSON: It was an undertaking on the side of both governments not to allow financial considerations to interfere with defence procurement. I would not like to say that those considerations, at the present time, are not interfering with defence procurement.

Mr. GREEN: I beg your pardon?

Hon. Mr. PEARSON: I would not like to say that those considerations, at the present time, are not interfering with defence procurement, because they are interfering.

Mr. GREEN: The Hyde Park Declaration is very clear. It says that:

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

The reference was to the defence of the western hemisphere and the same principle was extended to May 1945. It does seem that we should know just what the picture is now, and whether Canada is attempting to have the Hyde Park provisions extended, at the present time.

Hon. Mr. PEARSON: I can say that we are taking whatever steps we can to make those principles applicable to defence co-operation and integration of our defence forces, as has already been stated; and we have discussed with the United States authorities the financial difficulties, the exchange difficulties, which make the application of those principles difficult at the present time. We are in the midst of those discussions now.

Mr. COLDWELL: Is there not congressional action which stands in the way?

Hon. Mr. PEARSON: Yes. The Military Aid Bill constitutes, in some respects we think, an obstacle to the application of those principles. But we have been given some assurances that our fears, in this regard, have been a little exaggerated; and we are trying to find out just exactly what the position is at the present time.

Mr. GREEN: Is not the real difficulty some old United States statute which provides that United States defence forces must buy in the United States? That obviously goes away back before the time of the Hyde Park Declaration.

Hon. Mr. PEARSON: I speak subject to correction; I want to be pretty careful about this; but I believe some such provision is also included in the Military Aid Bill which was passed some time ago. It would prevent United States forces from procuring goods in Canada; prevent them from procuring supplies which it would be possible for them to procure in the United States.

Mr. Heeney reminds me that the language of the Act is not "prevent", but "permit". It may be a distinction without a very great difference, I mean a distinction in language. However, we have been assured by the authorities in Washington of their goodwill and we are looking into the matter now.

Mr. GREEN: Goodwill does not seem to be getting us very far.

Hon. Mr. PEARSON: What we need is more American dollars rather than more goodwill.

Mr. GREEN: Has this matter been discussed by the Permanent Joint Defence Board?

Hon. Mr. PEARSON: I think it has, and also with the State Department directly.

Mr. COLDWELL: You cannot override congressional action.

Hon. Mr. PEARSON: No.

Mr. GRAYDON: May I raise a question at this point. I would like to get a further clarification of the Minister's statement last night as he closed the debate. I have been unable to secure a copy of yesterday's *Hansard* so I shall have to speak subject to correction and rely upon my memory.

The Minister will remember that during the debate I raised a question, a very serious question, in connection with whether or not there was any international agreement between the two countries relating to the question of atomic energy and that particular aspect of it which I mentioned, which had come up in the Committee on Atomic Energy, just a few days ago. If I remember correctly, the Minister said that there was no agreement between the two countries with respect to that aspect of it. I would like to refer, if I may, to the report of the Special Committee on the Operations of the Atomic Energy Control Board, wherein Dr. Mackenzie said—and it was largely upon his statement, and another passage, that I relied in making the statement I did in asking for further information.

This is what Dr. Mackenzie says in the minutes of proceedings No. 1, at page 9:

Secrecy is something about which we feel keenly. We would like to be free of the necessity for secrecy but we are bound by an international agreement . . .

Now, I think it will only be fair to the committee that we should find out just what he means by that, and what the Minister means when he says that there has been no international agreement on the point.

Hon. Mr. PEARSON: I wish I had my text before me, but I have not. However, my recollection of what I meant is: that there is no international arrangement or agreement which would discriminate against the Canadian industrial users of isotopes, in favour of United States users. In other words, under the security arrangements, which we have agreed upon with these other countries it is possible for us to release just as much information and to give just as much assistance to the Canadian industrialists as the United States can give to their industrialists or the United Kingdom to theirs.

Mr. COLDWELL: I was present at the committee meeting, and I think that what Dr. Mackenzie had in view was secrecy in the exchange of information between Canada and the United States, on matters connected with atomic energy. I think that was it; that there was an international understanding regarding that aspect of the matter.

Dr. Mackenzie made the statement again, within the last few days, that he thought it was unfortunate that this exchange of information could not be proceeded with among the three countries, the United Kingdom, Canada and the United States. That was my understanding of the reference at the committee meeting which I attended.

Mr. GRAYDON: But, Mr. Chairman, does not the McMahon Act of 1946 prevent any American officials, or anyone connected with the administration, from having anything to do with information relative to atomic energy; does not that have to be read into any international agreement there may be because it is part and parcel of it? It does discriminate against our interests here.

I think that is the real problem. It may be that the Minister is right when he says that there is no international agreement which affects our industrial position here; but certainly, when you read the McMahon Act with it, there certainly is. I think this matter ought to be cleared up.

Hon. Mr. PEARSON: Well, what I said last night was that there is no agreement or understanding between the Canadian and the United States Governments which limits information available to Canadian industry to any greater extent than it is limited in the case of United States industry. Mr. Graydon is quite right, of course, in emphasizing that the McMahon Act does impose certain limitations on the information that can be conveyed to foreign governments by any United States authority. That is quite true; and that congressional Act does limit the amount of information which the United States gives us in these matters.

Now, what I was saying last night was: that, notwithstanding that limitation, we are in a position to give to our industry just as much information on this matter as the United States Government is giving to its industry. I would not like to go any further than that because I am not very expert with the details of this matter. It might be better for the committee if you had before you the Right Hon. Mr. Howe or Dr. Mackenzie, or both.

I can add, however—and this, I think, is public knowledge—that the three governments have been discussing, in recent weeks, the extension of the exchange of information; and that, in effect, means the easing-up of the United States situation in regard to such exchange.

It was quite clear, in those discussions, which were very friendly and successful that one of the difficulties in regard to the removal of these limitations of exchange of information from the United States to other countries, that is, to the United Kingdom and Canada, was the congressional Act; and the United States authorities are considering how the limitation can be eased. And for that purpose they are in touch with Senator McMahan and the congressional people concerned.

Mr. GREEN: There is no limitation on the exchange of information between Great Britain and Canada, in connection with atomic energy.

Hon. Mr. PEARSON: There is no limitation of any kind that I know of. I think that is right.

Mr. RICHARD: Are there now any active negotiations between the western powers and Canada and Spain in respect to its cooperation in western affairs?

Hon. Mr. PEARSON: I do not know of any negotiations between any other country and Spain which would increase the cooperation which now exists between Spain and that country.

As far as we are concerned, we have not had any discussions of that kind. With Canada, it is not a case of whether we have broken any formal diplomatic relations with Spain, or removed our ambassador, as some other countries did, because of a United Nations resolution. We never have had any diplomatic representatives in Spain. However, recently a trade commissioner has been appointed—a trade commissioner not an ambassador; in September of this year.

Mr. McCUSKER: If we are seeking trade, we might follow it up with a more senior representation.

Hon. Mr. PEARSON: We might. But there are a good many countries in the world where we have trade representation and no diplomatic representation. I am thinking of some of the Latin American countries. For instance, we have a trade commissioner and consul general in Caracas, Venezuela, and Colombia, but we have no diplomatic representation in those countries. We are now considering the desirability of converting this into diplomatic representation because, even from the point of view of trade promotion, it can be argued that we would be in a better position if we had diplomatic status there.

Mr. GAUTHIER (*Portneuf*): Mr. Chairman, I have before me the issue of December, 1948, of the "United Nations World", at page 59 of which there is an article entitled: "What the Future Holds for Franco".

I read from that article as follows:

First, it is quite clear that the U.N. will not soften. The San Francisco decision, which denied membership to Spain because of its Fascist Government, the Potsdam Declaration which confirmed it, and the Tripartite note of 1946, in which Britain, France and the United States re-emphasized it, still stand.

Is that correct?

Hon. Mr. PEARSON: What is that last phrase again? I did not get the last sentence.

Mr. GAUTHIER (*Portneuf*):

. . . . the Tripartite note of 1946, in which Britain, France and the United States re-emphasized it, still stand.

Hon. Mr. PEARSON: That is correct. That note still stands. It covers the policy of these three governments, but I do not know whether that means there may not be a change.

Mr. GAUTHIER (*Portneuf*): Am I correct in saying to you: is it true that the United States government said, a few months ago, that if somebody would sponsor the recognition of Spain in the U.N.O., they would support it? Am I correct in saying that?

Hon. Mr. PEARSON: There has been a certain amount of support in the United States, especially in congressional circles, for that view. Certain congressmen have been in Spain and have come back strongly of the opinion that the United States government should change its policy in regard to Spain, both because of the communist menace from the east, and because of the strategic importance of Spain in regard to that situation. But that feeling has not yet expressed itself in any governmental action in the United States, and I would not like to express any opinion whether it will or whether it will not.

Mr. GAUTHIER (*Portneuf*): I understand that Mr. Glass is our Trade Commissioner there?

Hon. Mr. PEARSON: Yes, I think that is right.

The CHAIRMAN: Are there any more questions? This being the first item on external affairs, and in view of the fact that the minister is very busy and will not be available to the committee next week, perhaps members would put all the questions they have to put to the minister under this item. Such a procedure, I believe, would enable him to go pretty thoroughly into all matters with which he is concerned and would give members of the committee an opportunity to ask their questions while he is present. I may inform the committee that he will not be able to appear before us next week.

Mr. FRASER: I have just one or two questions. I believe there are some negotiations now going on with the United States government concerning their motor vehicles in Newfoundland bumping into our vehicles there and we have no redress at all.

Hon. Mr. PEARSON: Well, that may be a part of the problem of the jurisdiction of the United States forces in Newfoundland under the bases agreement. That agreement which was concluded, of course, before Newfoundland was a part of Canada, gives the occupation forces powers which are very far-reaching. It gives them civil and military jurisdiction. I do not know what would happen if a United States military car ran into a Newfoundland civilian car, but I suspect the only remedy the civilian car would have—well, he might be out of luck as far as getting any compensation or redress is concerned; we are in the process of negotiating with the United States Government now concerning certain changes which we think will be found necessary by both governments. We must, of course, accept the fact that when Newfoundland became a part of Canada the agreement became a part of Canadian law and we must fulfil those obligations. At the same time we hope that by friendly arrangements between the two countries the terms of that particular lease in its application to Newfoundland can be modified somewhat without interfering with United States strategic plans at all, to bring it more in line with the principle of co-operative action which applies to other mutual defence arrangements covering United States troops on Canadian territory. We have control over such co-operative action.

Mr. FRASER: And that applies to personnel also, I understand.

Hon. Mr. PEARSON: It applies to a great many things.

Mr. FRASER: What agreement have you in other places, let us say at Churchill? Is it a different arrangement?

Hon. Mr. PEARSON: Yes; in other places where we have joint bases in Canada the Visiting Forces (U.S.A.) Act applies to United States personnel, and that does not give them the same far-reaching rights that they have in Newfoundland.

Mr. FRASER: And you think that something similar to that could be put into force in Newfoundland?

Hon. Mr. PEARSON: Well, we would like to have the whole Newfoundland situation more in accord with the general situation.

Mr. FRASER: Thank you.

Mr. BATER: Is this Newfoundland agreement made for a period of years?

Hon. Mr. PEARSON: Yes, for 99 years. Eight of them have gone. We do not think we can wait for the other 91.

The CHAIRMAN: Mr. Minister, are there any Canadian troops or armed forces in American territory, such as Alaska?

Hon. Mr. PEARSON: There are some Canadian military personnel in the United States for training and attached for other duties, but they are in the same position as Americans who are on duty in Canada.

Mr. GREEN: They are not in the United States on the same basis as the Americans are here, are they?

Hon. Mr. PEARSON: Yes, some of them are there on the same basis as United States troops now in Canada, doing general training with the United States forces; and they have—I think I am right in saying—they have the same privileges there with respect to those forces as the Americans serving in Canada enjoy.

Mr. GRAYDON: Mr. Chairman, I want to change the subject for a moment. I want to bring up the question of the rather static situation in Moscow. My understanding is that we have not a full-fledged ambassador in Moscow now nor have they one in Canada. Has that situation changed or is it still as static as it was?

Hon. Mr. PEARSON: It remains just the same as it was. The U.S.S.R. removed their ambassador from Canada and, of course, we removed ours from Moscow. We think the first move to restore completely normal relations should be in Moscow. We should not, of course, merely stand on protocol and if it were to our advantage to initiate a change we should do it. But I do not think we are suffering very much from the present position.

Mr. GRAYDON: How many officials have we there now?

Hon. Mr. PEARSON: We have three Departmental officers there, a military attaché, and a small staff.

Mr. GRAYDON: I take it that it is an advantage to Canada to have someone there?

Hon. Mr. PEARSON: It is very definitely to Canada's advantage. We get very interesting reports, of course, from Moscow, in so far as our officials are permitted to get in touch with affairs. Their reports would be very valuable if they were able to have greater contact with the military and other people; nevertheless we get very interesting reports. In that connection, Mr. Chairman, I would like to mention a point which Mr. Graydon himself has made, that we should use these reports from foreign countries in the statements which we give out on the work of the department. That would be difficult to do because in the first place these reports are confidential and in some of the countries the sources from which they come are very confidential, and we would certainly prejudice those sources if the reports or parts of them were made public. Nevertheless, there is interesting information in these reports which we receive, not only from Moscow but from other countries as well, and some of that information could be made public. We have been considering making such parts of that information available to the Press Gallery and including it at times in our External Affairs Bulletin. I think we can do something along those lines.

Mr. GRAYDON: I take it then that no invitations are extended by the Kremlin to our representatives at Moscow, at least they are somewhat infrequent?

Hon. Mr. PEARSON: Oh, they go to all the formal Kremlin functions, the formal and ceremonial occasions, and when we have any particular business to take up we can get in touch with the proper Kremlin officials.

Mr. FLEMING: You sort of get the runaround?

Hon. Mr. PEARSON: Not always.

Mr. Low: Mr. Chairman, I wonder if the Minister would tell us whether or not Canada contemplates joining the Pan-American union?

Hon. Mr. PEARSON: That question is a hardy perennial and I suppose I had better give the usual answer.

Mr. Low: Is it not true that in recent times there has been a certain amount of agitation from outside of Canada as well as within Canada that we should do that?

Hon. Mr. PEARSON: We have not had much agitation, if you want to call it that. The evidence rather indicates that there is relatively very little interest in Canada in this matter one way or the other. I do not think there is much opposition to Canada joining the Pan-American union, but there is certainly no widespread desire that we should. We have not had any serious approaches from other governments.

Mr. Low: Would there be any advantage?

Hon. Mr. PEARSON: If there were any advantage we should join. Perhaps I might say this. We belong to a good many of these international clubs and I do not want to say anything which would seem to depreciate in any way the value of the Pan-American union. Of course, as you know, the Pan-American union is a regional association; it is also an association for mutual defence. If you look at the map of the world you will see that the Northern Hemisphere is a little more important to Canada than is the Western Hemisphere, and all our lines of contact—strategic, commercial, cultural, and so on—are across the North Atlantic. Those countries are closer to us geographically and we see no particular necessity for other than normal friendly contacts with the countries of South America. On the other hand it is true, as I tried to point out the other day, that our contacts with South America are becoming increasingly important, that we have developed an important trade. We have shown our recognition of that fact by the extension of our diplomatic contacts there.

Mr. Low: That is what prompted me to ask the question.

Mr. GREEN: Our friendships with the South American nations have not been affected by our not having ambassadors there?

Hon. Mr. PEARSON: I do not think it has. If they were being affected that would be an important consideration, because we want to develop and improve that association.

Mr. GREEN: We want to be on good terms with them, as we are now.

Hon. Mr. PEARSON: We are on extremely good terms. Just the other day in the United Nations Assembly the representative from Brazil made a very moving reference to Canada.

Mr. BATER: Is Canada the only country in North America which is not a member of the Pan-American union?

Hon. Mr. PEARSON: It is the only country which is not a member. It wasn't many years ago when a suggestion was made that we should join the Pan-American Union it was not welcomed in Washington. I would think they have changed their minds about that now.

Mr. GRAYDON: It might be of some advantage to us if we were to join; would there be any disadvantages?

Hon. Mr. PEARSON: I do not know of any important disadvantages, but there has been no pressure on us to join. If the Latin American states felt that we should join and wanted us to they would approach us; and if they were to do that we would have to give sympathetic consideration to it. But at the present time we have so many other things on our mind and our international affiliations are extensive that we do not want to take the initiative.

Mr. GREEN: The Right Honourable Vincent Massey in his book on "Being A Canadian" points to some disadvantages that would fall to Canada from joining the Pan-American Union. It would seem that the subject is one which should be given very careful consideration.

Hon. Mr. PEARSON: I have read that book and that chapter and with all deference to my old chief I doubt that the disadvantages would be as great as he expects.

Mr. MACINNIS: What staff have we in Yugoslavia at the present time?

Hon. Mr. PEARSON: We have a Minister and one secretary and a military attaché.

The CHAIRMAN: Are there any more questions on the Pan-American Union?

Mr. FRASER: Yes. The minister said that all countries of South and Central America belong to the Pan-American Union, what about British Guinea?

Hon. Mr. PEARSON: No, no dependencies or colonies.

Mr. FOURNIER: Are we completely informed with respect to developments in these South American countries?

Hon. Mr. PEARSON: Yes. We get that information through various sources. We belong to some of the inter-America technical organizations affiliated with the Pan-American Union. It is a definite practical advantage for us to belong to such things as the Inter-American Hygiene Bureau and other organizations where we can exchange information.

Mr. FLEMING: I had a question arising out of the one put by Mr. MacInnis.

The CHAIRMAN: Mr. Fraser has been trying to speak.

Mr. FRASER: How are we fixed with regard to our shipping—bottoms going down into Central and South America? Are we all right in that regard?

Hon. Mr. PEARSON: I don't know the details there; perhaps Mr. Moran our Assistant Under-Secretary who has charge of our Economic Division could answer.

Mr. MORAN: There is an overall surplus of Canadian bottoms. There are a number of companies, such as the Montreal Shipping Co., which are always seeking cargoes and are quite willing to go wherever cargoes are available.

The CHAIRMAN: I have read some articles suggesting that in connection with the Pan-American Union Canada was following or being influenced indirectly by Great Britain. Would you care to comment on that?

Hon. Mr. PEARSON: That is not the case. The British have never advised us on this matter one way or the other and they have never suggested what we should or should not do.

Mr. MACINNIS: Has the political situation in Yugoslavia changed to the degree that it might be desirable to have a larger staff there for the sake of obtaining information?

Hon. Mr. PEARSON: Yes, I think it has. It is a matter to which we will have to give serious consideration. Yugoslavia is one of the most important centres of European politics.

Now that mention has been made of Yugoslavia, I would like to deal with the matter which Mr. Graydon brought up in the debate last night and which I forgot to answer. It was getting close to eleven and I neglected to reply to two or three questions.

Mr. Graydon suggested that we should have been franker with the people of Canada regarding our attitude on elections to the Security Council and whether we did or did not vote for Yugoslavia. I would like to point out in that connection, that the provisions in the Charter of the United Nations, and the rules of procedure for secret voting in the case of election to the Security Council and other agencies, were matters which you will probably remember

caused a good deal of discussion in San Francisco and London. The argument which was advanced in favour of secret voting was that certain states, who are not as fortunate in their neighbours as we are, might find it a little difficult to vote openly on elections of this kind; if voting were to be free, there should be no intimidation and voting therefore would have to be kept secret, especially in regard to the Security Council. If, however, countries announce whom they are going to vote for three or four weeks in advance, and then start lobbying for the particular candidate, the merits of secret voting disappear. You will recall that the United States, at the beginning of the Assembly, said that they were going to vote for Yugoslavia. We have tried to observe the rule of secret voting and have never declared whom we were voting for. We may have to change the policy if the rule is going to be a dead letter. If it is not going to be a genuine secret vote then I think we should say who we are going to vote for.

On this occasion we were in a dilemma. A secret vote, if ever desirable, was certainly desirable in the case of this particular election—whether we were voting for Czechoslovakia—the Soviet candidate, or Yugoslavia which would have been the Soviet two years ago but certainly was not the Soviet candidate on this occasion. I may say that the government had some difficulty in making up its mind what it should do. It was left to the delegation. When the delegation made up its mind it communicated with the government and received the necessary authority.

I wish that this was off the record because I could talk very much more frankly.

Mr. MACINNIS: If the Minister wishes the matter to be confidential it could be heard off the record.

Hon. Mr. PEARSON: I will go ahead. This is an open session. I can say that the argument in favour of Czechoslovakia, which was put forward to the Canadian delegation and other delegations, was that there had been a convention growing up in the United Nations that the nominees of certain groups would be elected to the Security Council. We had never accepted that convention in so far as its application to the commonwealth was concerned. In two elections that had taken place there had been commonwealth countries standing against each other. In the first election it will be recalled that we got a majority in the first ballot but we did not get the necessary two-thirds and Australia came up behind to nose us out. In the second election India stood, so there has never been the type of bloc that has existed in the case of Latin America. They choose a candidate and they all vote for that candidate. The U.S.S.R. has been faithfully following this procedure and they have voted for whatever Latin American state has been put forward. They also voted for us on the understanding that we were a commonwealth bloc candidate and they claim that they are therefore entitled to their second voice on the Security Council. They are always in the minority there and they feel they ought to have one more voice. On that understanding they felt that we should vote for Czechoslovakia.

It was not an unreasonable argument. It might have made more impression if Mr. Vishinsky had not held a press conference two days before and tried to bludgeon us into voting for Czechoslovakia, saying that if we did not we would be breaking the charter. As a result of a variety of circumstances, including the disappointment which it would have caused in Yugoslavia if she were defeated, and the weakening it might entail there to Tito's position and his courageous stand against U.S.S.R. interference, most of the countries decided, as you know, to vote for Yugoslavia. We voted for Yugoslavia on this occasion.

Mr. GRAYDON: I raised the question because both the United Kingdom and the United States had announced who they were voting for beforehand.

Hon. Mr. PEARSON: The United States raised the matter quite openly and the United Kingdom let it leak out. Now we have let it leak out after the event.

Mr. FLEMING: I would like to ask a question on a little broader basis than some of the questions that have been put in the last few minutes. Would Mr. Pearson review our present diplomatic setup in the other countries behind the iron curtain. You have dealt with Yugoslavia but I wish you would deal with the other countries.

Hon. Mr. PEARSON: In Poland we have a chargé d'affaires. He has been there three and a half years. We have a secretary, and a military attaché—just one service attaché. In Prague we have the same setup, a chargé d'affaires, a secretary, and a service attaché—I think he is an air attaché.

In the other iron curtain countries we are not represented at all. In Poland, Czechoslovakia and the U.S.S.R. we are represented.

Mr. FLEMING: How are diplomatic problems handled in the other countries behind the iron curtain where we have no representatives?

Hon. Mr. PEARSON: In countries like Bulgaria and Rumania, if we have any Canadian problems requiring an approach to those governments—and it happens very rarely because they are completely sealed off—we make use of the United Kingdom diplomatic missions.

Mr. FLEMING: The United Kingdom has diplomatic representation in all those countries?

Hon. Mr. PEARSON: Yes and so has the United States. Mr. Heeney reminds me that we, on one or two occasions, have availed ourself of the good offices of the United States representative.

Mr. FLEMING: Would you care to enlarge on the way in which our diplomatic relations are developing in those countries where we have representatives now?

Hon. Mr. PEARSON: I can say this. In the last year it has not been any easier to develop our contacts in those countries or to carry out the normal work of a diplomatic mission. I am thinking of Poland and Czechoslovakia, and that is because of the increasing fear in those countries of any foreign contact on the part of the people, and because of increasing Russian invasion of their government.

Mr. FLEMING: Is it worth while, in your opinion, to continue having diplomatic representation?

Hon. Mr. PEARSON: I think it is worth while to continue on the present skeleton basis.

Mr. FLEMING: For the present?

Hon. Mr. PEARSON: Yes.

Mr. McCUSKER: Are our representatives familiar with the language of the countries wherein they serve?

Hon. Mr. PEARSON: In most cases they are; we encourage that. We have been fortunate in the linguistic ability of some of our officers abroad. In the past we have probably had a higher percentage of officers in Moscow who understand Russian than has any other Anglo-Saxon nation. The same situation applies in some other countries.

Mr. Low: You mentioned that General Pope is to be Canada's representative in the Bonn government. What will be his rank?

Hon. Mr. PEARSON: As the Bonn government—the government of western Germany is not a full sovereign government, he will not be an accredited ambassa-

dor. That country is still under military occupation and I think we shall have to call him the head of the Canadian mission accredited to the high commission—that is the Allied High Commission.

Mr. McCUSKER: Does he retain his rank when he becomes a civil servant?

Hon. Mr. PEARSON: He will be a civilian official. A general always retains his military rank.

Mr. McCUSKER: Take, for example, General Victor Odlum who was at one time in Turkey, is he a more useful representative because he is a major general or is he less useful? I am not speaking of the man personally, I am speaking of whether his rank increases his efficiency or otherwise.

Hon. Mr. PEARSON: I think in certain countries the use of a military title does not do one any harm. I do not think it will do you any harm in Germany. Our representative there will still be Major General Pope, and he will still be the head of our military mission in Berlin. We will need only one officer now permanently in Berlin. General Pope will do both jobs. He will be head of the military mission in Berlin, and he will be accredited to the Bonn government where his headquarters will be.

Mr. FLEMING: But there are two officers there in addition to General Pope. Will one be removed to Bonn?

Hon. Mr. PEARSON: Yes, and one will remain with the military mission in Berlin.

Mr. GAUTHIER (*Portneuf*): There are one or two points that I want to discuss, and the first of them is in connection with Mao Tse-Tung. Although this man was directed from Moscow he has shown a few signs of independence towards Russia in two or three instances, and I would like to know if we can foresee that after he has cleared everything from his path that he will still show the same independence toward Russia and would not be directed or ruled by Russia after he has been definitely established in power. And the second point is, that family affairs in China have always been closely connected with internal and international affairs there, everyone will admit that. For centuries there has existed a very interesting triangle which even today is to be observed there and which should be watched by the United Nations. I believe, and if my information is accurate, I think that there is a big banker by the name of Soong who is the uncle of Miss Soong one of the main officials of the present communist governments, and sister of Mrs. Chiang. That is a very interesting triangle to watch. I think my information is correct and that is a very interesting situation to watch before taking any steps.

Hon. Mr. PEARSON: It is, of course, and there may be other developments of that kind which will be very interesting and which should be taken into consideration in the formation of government policy. The fact that it is reported that the Chinese air lines have gone over to the communist government and are now operating under the communist government is of some significance. Whether in fact the Chinese communist government will become an independent nationalist government along the lines of what Tito is trying to establish in Yugoslavia is a question.

The lessons of history which may or may not apply in 1950 indicate that China has usually been able to absorb its outside influences; but sometimes it has taken from fifty to one hundred years to do so. I have really no fixed opinion, myself, as to what will happen. We must all hope that whatever government is in power and recognized in China, will be independent and national.

Mr. FLEMING: Is it the government's intention, if they decide to recognize the communist government at Peking, to do so without consulting Parliament, or is it their intention to consult Parliament first?

Hon. Mr. PEARSON: I have no idea. But if Parliament is not sitting, and action seems to be required, if there is an agreement among a lot of countries to take action at a certain time, the government might find it necessary to take that action. But, if Parliament is sitting, I should think they would, at least, want to inform Parliament of what they were contemplating.

Mr. FLEMING: But not necessarily to seek the approval of Parliament before extending recognition?

Hon. Mr. PEARSON: I do not know whether the government would feel it necessary or desirable to have Parliamentary approval before a step of that kind is taken.

Mr. FOURNIER: What is the custom in that respect in Great Britain?

Hon. Mr. PEARSON: Normally, I think, in Great Britain, the government would take the necessary action and then inform Parliament of what it had done.

Mr. FLEMING: But in Great Britain the Parliament frequently debates external affairs. There the government is always in touch with the feeling of Parliament on any issues in external affairs.

Hon. Mr. PEARSON: I think it has been some time, in Great Britain, since they have had a two day debate on external affairs. But they do spend more time on international affairs.

The CHAIRMAN: In Great Britain, Parliament sits nearly the year around.

Mr. FLEMING: I am thinking of the custom of having certain days set apart for the discussion of specific subjects such as external relations.

Mr. MACINNIS: Mr. Churchill said yesterday in the British House of Commons that the action there would be that the government would recognize or would not recognize, as the case might be, and then inform Parliament. He suggested that they should do so in consultation with the commonwealth countries and the United States.

Hon. Mr. PEARSON: The government has already had the advantage of the very useful discussion of this particular matter during the last two days.

Mr. GRAYDON: I think that most nations would take a pretty sympathetic approach to the United Kingdom's problem in China, because it is a pretty acute one, having regard to the last outpost in the east, Hong Kong, being where it is; and I suppose while that has been one of the considerations motivating the United Kingdom's attitude towards China, it would not motivate any other country which had a less acute problem at the very front door of China.

Hon. Mr. PEARSON: I think it is quite true that the United Kingdom has a very special interest in this problem because of its territorial possession.

Mr. GREEN: And also because of its heavy interests in China.

Hon. Mr. PEARSON: Yes, because of its very great interest.

Mr. GREEN: Canada has a great interest in China too.

Hon. Mr. PEARSON: We have indeed.

Mr. GRAYDON: Might I ask the Minister if the proposal, which I suggested in the debate on external affairs, meets with any approval in his department: that we ought to get rid of the clumsy title of Under-Secretary of State for External Affairs?

Hon. Mr. PEARSON: It certainly meets with my most hearty approval. In fact, I very often sign my letters: Minister of External Affairs; because it saves time and money.

I hope that we might make that kind of change, but it would require a legislative change. I hope that can be done. It should be a fairly non-contentious bill, I think.

The CHAIRMAN: That subject will be discussed again before this committee and we will likely report on the suggestion.

Hon. Mr. PEARSON: We may wish to have the External Affairs Act reviewed before long. There are other changes we would like to see made in that Act, and possibly we should include this change along with them.

Mr. FLEMING: Should we use the expression "External Affairs" rather than "Foreign Affairs"?

The CHAIRMAN: I feel it is more Canadian to say "External Affairs", and, besides that, the Canadian people are more familiar with that expression than they would be with "Foreign Affairs".

Hon. Mr. PEARSON: "Foreign" is not quite the right word to describe our relationship with the countries belonging to the commonwealth of nations.

Mr. FLEMING: A lot of our external relations are not foreign relations at all.

Hon. Mr. PEARSON: Quite so!

Mr. GRAYDON: That principle, perhaps, would be the governing factor in connection with the name. That is why I suggested that we use the expression "Minister of External Affairs".

Mr. McCUSKER: Might not the redundant part of that title be dropped, in the same way as "British" is dropped from "Commonwealth"?

Hon. Mr. PEARSON: "British" has not been dropped yet; it has just been, sort of, suspended.

The CHAIRMAN: Are there any further questions?

Mr. FRASER: I think we should ask a question on the money end of it. I see in the main estimates there is an increase of \$193,000 and some odd dollars; and I see in the further supplementary estimates there is an increase of \$117,500, of which \$100,000 is for postage. Why would that postage come in, in that amount, after the year really was up?

The CHAIRMAN: If I may be allowed—I do not want to curtail discussion of any kind—but to me, this appears to be more of a straight departmental question. I have no objection to its being answered, but I think we should bear in mind the fact that the Hon. Mr. Pearson is with us, and I think it would be the consensus of opinion that the committee should discuss the whole picture of the External Affairs Department first.

Mr. GREEN: Would the Minister be available this afternoon?

Hon. Mr. PEARSON: I will be very glad to be here this afternoon if the committee so desires.

The CHAIRMAN: After the Minister has given his general answers, we can go over the items.

Mr. FRASER: You will go over the items again?

The CHAIRMAN: Yes.

Mr. HARRIS: Have we not discussed the policy end of it already?

Mr. FLEMING: No. There are a number of questions which I wish to ask.

The CHAIRMAN: It is getting near one o'clock. Can we arrange a meeting for this afternoon? What about 3.30 or 4 o'clock?

Mr. FLEMING: Let us say 3.30.

The CHAIRMAN: Is that agreeable?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: The committee stands adjourned until 3.30 o'clock this afternoon.

AFTERNOON SESSION

The CHAIRMAN: I will call the meeting to order.

I believe that all of our members will agree that we had a very interesting session this morning and experience in the past leads me to believe that such will be the case at this meeting and at all other sittings.

The Minister has not informed me of his wishes but I believe if we could get through with him, without undue celerity of course, he would appreciate it.

Mr. FOURNIER: This morning when we were discussing the Pan American Union, and while the Minister was answering some questions put to him, he mentioned the fact that the United States Government at first did not favour the entry of Canada into that union. He said that after a while they modified their opinion and today they would be prepared to accept us. I wonder if it would be possible for the Minister to give to the committee reasons why the American Government had that attitude and why they changed it?

Hon. Mr. PEARSON: Well, Mr. Chairman, maybe I can say a few words about that. I do not know, of course, if the American Government would have objected if the Latin American States had invited us to join the union some years ago but I suspect, and I have good reason to believe, that they were cool to the idea. I am now talking about the late 1920's and the early 1930's.

Mr. COLDWELL: Didn't President Coolidge issue an instruction to the delegation?

Hon. Mr. PEARSON: Yes. I suppose it was unfortunate that in the publication of a volume of their state papers they allowed to be included an instruction to their delegation to the Havana Conference. I forget the date.

Mr. COLDWELL: 1927.

Hon. Mr. PEARSON: Yes, and in that instruction which appeared in print, there was a suggestion—more than a suggestion, a statement—that, if the question of Canada's membership in the union arose, the United States was going to adopt what might be called a negative attitude. We have reason to believe, although we have not any official statement from the United States Government, that now the attitude would be different. I think the reason is, but I am not interpreting the policies or views of the United States Government, that in the earlier days they may have felt that Canadian membership in the Pan American Union would be interpreted by some people as introducing a European element into the union. Our association with Great Britain was so close that some people feared that we would be the mouthpiece of Great Britain in the Pan American Union, and that was not favourably received. I think events in the last fifteen or twenty years have removed any fears or hesitations on that score, and that there would be no embarrassment created if we were members of the Pan American Union. In other words, although our association with Great Britain is as close as it was then, the nations of the western hemisphere have learned that we are a power in our own right.

Mr. COLDWELL: Do we want to join the Pan American Union?

Hon. Mr. PEARSON: My answer this morning was that we were not initiating steps towards that now. We feel that the present situation is more or less satisfactory, but, if there was any strong feeling that we should join we would take the matter into consideration.

Mr. GRAYDON: I think the Minister said that we belonged to quite a few international clubs now?

Mr. FOURNIER: It would be more diplomatic if we waited until an invitation came.

Mr. GRAYDON: Quite.

The CHAIRMAN: Are there any other questions?

Mr. GRAYDON: Could we make some inquiries of the Minister, Mr. Chairman, with respect to the present situation in Japan. I understand that we have a very good representative in Japan from our own External Affairs Department and no doubt he is keeping the department fully informed with respect to the situation there as it is rapidly developing.

I suppose there are two things which would come to one's mind in the way of inquiries to start with. First is the possibility of an early peace treaty, which the minister did deal with in a certain way when he spoke the other day in the House, and the second matter is what progress, if any, has communism made and what is the method being employed or what instruments are being used in Japan by the Soviets to forward their communistic moves.

Hon. Mr. PEARSON: I cannot say as much about the matter as I would like. There are some things that I should not say in public. I am not as well informed as I should be on that particular subject because I have been out of touch with it for a couple of months. We have a very good office in Tokyo. Our representative in Tokyo is one of the best informed; he speaks the language of Japan; knows its history and traditions. He keeps us well informed as to developments. His name is Mr. Herbert Norman.

There was, of course, after the occupation of the country by the American army, a remaining nucleus of a communist party. That party was organized, and of course controlled in its leadership by Moscow trained persons. It was not, so far as I can remember, making very much progress although conditions in Japan were very difficult.

The occupation policies by and large seemed to meet a good deal of public acceptance in Japan and communism was not growing as fast as you might have expected it to grow in a country which had received such a severe beating. There has been a change, to some extent, in recent months, on the return of Japanese prisoners from Russia. It is a strange development, and I do not pretend to understand it, but these Japanese prisoners who might normally have been expected to be not too friendly towards Russia after their experience in Russian camps returned—some of them—as convinced, doctrinaire communists. It may well have been, and probably was, that they were singled out among prisoners for special treatment, and they were returned to Japan after indoctrination and special treatment to spearhead the communist rise in Japan. That situation seems to be pretty well under control, that is as far as one can gather, but it is a danger in that the spread of communism from north east Asia must have had some effect on the communist movement in Japan. The communist government in China might very well be a means of encouragement to communism in Japan, and might even hold out to the Japanese people hope for a very favourable peace treaty if they would only introduce into Japan the right kind of rule. That no doubt is a source of embarrassment to the occupation authorities and something they no doubt will have to take into consideration in the negotiations and preliminary work on a peace treaty.

Mr. MACINNIS: Is there any danger from the other side of the totalitarian axis in Japan?

Hon. Mr. PEARSON: I think, of course, that, although Japan has given every appearance of having thrown off the feudal military system of government which led it into the last war, the remnants of that ideology undoubtedly remain. It is not a factor that you can dismiss as of no importance. I think extremism on the right is undoubtedly there, though underground and it is something that those responsible for the Japanese settlement must take into consideration. The Japanese people alone can deal with that, I mean either left or right extremism.

We can only hope that between the extreme right and left elements there has been developed a broad Japanese democracy on which the Government of Japan can be based when the peace treaty is signed and the occupation is ended.

Mr. FLEMING: Do reports which your department receive confirm the rather glowing statements made by General MacArthur with respect to the progress made by democracy in Japan, or do you think they are optimistic?

Hon. Mr. PEARSON: Well I would not want to criticize General MacArthur in any way, shape or form, because I think he has done a pretty magnificent piece of work there. However, I think it would be natural for the occupation authorities in Japan, or in any other country, to give the brightest possible picture of the result of their work. Some people think the situation is not quite as satisfactory as the reports from the occupational authorities would indicate.

Mr. GRAYDON: I suppose, looking in the future, you cannot overlook the factor or influence and power of the emperor. Is he still the factor he was?

Hon. Mr. PEARSON: He undoubtedly is a factor but he is a factor that has now, I hope, been harnessed to the forces of democracy, if I may use that expression. That is the objective; that is the purpose.

Mr. COLDWELL: Does it not depend, as it does in the rest of Asia, on the raising of the standards of existence of the mass of the Japanese people?

Hon. Mr. PEARSON: I think that is a basic factor in every country in the far east in relation to the increase of communism. It is a platitude but it is true to say that communism feeds on distress, privation, and starvation, and if those conditions exist in Japan—and I am not suggesting they exist now—but if they do, then that of course will be a great encouragement to the communists and will result in an increase of subversive forces on the left and possibly on the right.

Mr. MACINNIS: You mentioned that communist China might be able to offer Japan a very favourable peace treaty. Could China offer a more favourable peace treaty to Japan than the western powers, or could we at this stage make a hard peace treaty?

Hon. Mr. PEARSON: I should not have put it that way, that the Chinese Government would offer a peace treaty. They are not in a position to do that. I should have put it this way. They will hold out the right hand of fellowship.

Mr. FLEMING: It would be the left hand if it were communist.

Hon. Mr. PEARSON: . . . to a progressive Japanese Government. Let me put it that way. They cannot, of course, make a peace treaty with Japan alone because Japan is not in a position to make a peace treaty with anybody except the allied occupation authorities and the other allied states.

Mr. BAXTER: Is there any winding up of the American occupation at all?

Hon. Mr. PEARSON: There is a gradual easing of the occupation, but as far as I remember no great change has taken place yet. I would suggest that we have officials in the department—they cannot talk about policy matters—who are experts on this subject and might be able to come before the committee and give a factual statement of what has happened, and it might be of some interest to the committee to have such an explanation given.

Mr. GRAYDON: Is there any possibility of Mr. Herbert Norman being in Canada in any near future time?

Hon. Mr. PEARSON: I do not think so, but we will find that out. The acting head of our far eastern division is also extremely well informed on far eastern questions.

Mr. GRAYDON: Who is the head of that department?

Hon. Mr. PEARSON: A. R. Menzies is the acting head of the American and Far Eastern Division.

Mr. GRAYDON: May I ask the Minister this question: if the problems of China and Japan are linked as well with the growth of communism in the far east, is there not also a very serious and acute problem, one which exists in Korea itself? The southern part of Korea has been pretty well left to the Koreans, while the northern part, which was divided at the time of occupation, is still in the hands of the Soviets. Is there any recent information as to whether or not there is likely to be any coup d'état there, because the southern part of Korea would look to be a pretty vulnerable spot today to any northern advance?

Hon. Mr. PEARSON: The border between south and north Korea is one of the places where the eastern and western world are actually facing each other. Another such place is the northern border of Greece. The situation in north Korea is not very clear. The government claims that Soviet Russia has withdrawn all its forces and that a people's democratic government has been set up which is running the affairs of north Korea, and which is really the government of all Korea.

Mr. GRAYDON: It is, of course, a communist government?

Hon. Mr. PEARSON: It is a communist government, I should think, which is under complete Russian control. The other Korean government has been set up under United Nations auspices as a result of elections which were free in terms applicable to Korea, where they have not had an opportunity to develop democratic electoral procedure for a great many years. However, it was an election wherein the people were given an opportunity to express their wishes; and they returned a government under United Nations auspices. It is that government which the United Nations recognizes today as the Government of Korea. It is not a government for all Korea, because, while it had been hoped that the election would cover all Korea, nevertheless the Russians would not let them into the north. So, the result is that we have two governments.

United States forces have been withdrawn almost entirely from south Korea. There is a south Korean army to which is attached a United States Military Mission. There is a good deal of United States military equipment in Korea, and they claim that they would be in a position to take care of themselves if they were merely protecting themselves from north Korea. I do not like to speculate on what might happen out there, because it is a difficult part of the world to talk about.

Mr. LEGER: What is the situation in Turkey with regard to western Europe?

Hon. Mr. PEARSON: It seems quiescent at the moment. So far as I know, the Turkish people are in a state of preparedness. The amount or proportion of the budget which Turkey devotes to defence is very high; and the fact that they have to spend so much money on defence is a factor of great economic importance to them. There have not been any new and unpleasant border instances, or anything like that, that I know about.

The basic difficulty between Turkey and the U.S.S.R. remains, however. It is the desire of the U.S.S.R. to make some arrangements with the Turks by which the U.S.S.R. would get a share of the control of the waters leading into the Mediterranean from the Black Sea.

Mr. LEGER: And what is the situation in Jerusalem?

Hon. Mr. PEARSON: That is a matter which is being discussed at the United Nations at the moment.

The CHAIRMAN: Pardon me, but would you allow me to read a letter which I have just received from the Speaker. It reads as follows:

"Dear Mr. Chairman,

Field Marshal the Earl Wavell is calling on me this afternoon at four o'clock, at which time I am giving a reception for him in my Chambers. I am taking this opportunity of extending an invitation to all the members of your Committee to come and meet Field Marshal Wavell. If this can be arranged, I assure you that I will be pleased to see all of you.

Sincerely yours,

(Sgd.) W. ROSS MACDONALD,
Speaker."

I suppose we could go there for fifteen minutes at the most, and then come back again, if there is no objection on the part of the Minister and the members.

Mr. McCUSKER: How about bringing Field Marshal Wavell up here and questioning him?

The CHAIRMAN: It is now about five minutes to four, and I believe it would be in order for the Minister to answer Mr. Leger's question, whereupon we will go to the chambers of the Speaker.

Hon. Mr. PEARSON: The situation in Jerusalem is on the agenda of the United Nations, and is being discussed there. At the present time, the Israel authorities are in control of part of Jerusalem, and the Transjordan authorities are in control of the other part.

Mr. LEGER: The English have charge of the Holy Land?

Hon. Mr. PEARSON: No; the British have no authority in Jerusalem at all. The holy places are under the control, I gather, of the Israel or the Transjordan authorities.

The United Nations Commission which has been in Israel produced a report making certain recommendations for the future government of Jerusalem. According to those recommendations, that city, I think, would come under some kind of international control.

The government of Israel has opposed the recommendation and will oppose it at the United Nations, and will probably submit some kind of alternative proposal by which the holy places, which are the main preoccupation of the rest of us, may be brought under international control not only in Jerusalem but throughout Israel, while the government of Israel will be in control of new Jerusalem itself. What kind of solution will emerge from our discussions at the United Nations, I do not know.

Mr. GREEN: Has any progress been made towards the setting up of an international police force?

Hon. Mr. PEARSON: No progress at all; and that is, in a few words, due to the obstructionist tactics of the U.S.S.R. in the United Nations committee which considered this matter in the security council. When Mr. Trygve Lie, Secretary-General of the United Nations, asked the United Nations assembly this year to support a very modest resolution for the establishment of a security force of 250—not more than 250—merely to protect United Nations commissions—and there have been casualties among those commissions, notably the case of Count Bernadotte—the resolution was violently opposed by the U.S.S.R.; and Mr. Vishinsky made one of his most energetic speeches against it.

Mr. MACINNIS: Is there any difference between his speeches?

Hon. Mr. PEARSON: Yes, there are differences in his speeches. Some of them are energetic without any humour; others, which are energetic, have humour; and

this was one of the latter kind. Mr. Vishinsky painted a very amusing picture of the Secretary of the United Nations, mounted on his white horse, boldly leading forth his 250 soldiers into the far corners of the world. The resolution, however, passed, but that is all we have in the way of an international police force at the moment.

Mr. GRAYDON: And how is recruiting for that force going along?

Hon. Mr. PEARSON: No Canadian applications have yet been received.

The CHAIRMAN: We will now suspend our sittings for fifteen minutes.

The committee resumed.

The CHAIRMAN: Gentlemen, we will now resume the meeting. Somebody suggested that the speaker should have that kind of intermission at every sitting. We think so too.

Mr. COLDWELL: I was asking about Greece and Yugoslavia before we adjourned.

Hon. Mr. PEARSON: The situation on the Greek border and the relations between Greece and her northern neighbours was given a very thorough airing at the United Nations Assembly with some very violent anti-Greek speeches being made by the U.S.S.R. During the course of this hearing we heard representatives from Bulgaria and Albania and from members of the U.N. political committee. The committee passed a resolution extending the Balkan Commission for one more year to keep watch on the borders. It became clear during the hearing that the guerrilla bands in the northern and other parts of Greece had called off their activity and for purposes which are not quite clear their policy now is to accept the victory of the Greek government forces on the battlefield and to lessen their activities, but these forces are still in being. They have slipped across into Albania and Bulgaria. However, the situation is quiet there and the Greek government is in a much better position. Now, during the assembly there was an effort made to work out some form of mediation between Greece and her northern neighbours and a committee was set up for this purpose which consisted of the president of the General Assembly, the secretary-general of the United Nations, the delegate of Turkey, and myself to consult the U.S.S.R., the United Kingdom, Greece, Albania, Bulgaria and Yugoslavia. That effort at conciliation and mediation, which was a serious one, broke down and, of course, there has been an attempt on the part of the U.S.S.R. to say that the breakdown was due to the Greek government. It was not. The immediate cause of the breakdown was the inability of Albania and Greece to agree on any solution of their territorial boundary problems. The Albanian government said they would not sign any agreement with Greece which did not include a renunciation by the Greek government of northern Epirus which is now part of Albania. The Conciliation Commission thought that this was not a subject for discussion by them. But we tried to incorporate in the agreement a clause to the effect that the Greek government renounced the use of force in connection with the boundary dispute. The Albanian government would not go along on that, and that caused the breakdown. There were deeper causes but that was the occasion. However as long as the feeling between the Yugoslavs and the U.S.S.R. is so bitter, there will be less guerrilla activity in Greece than there has been, in accordance with the new Russian policy in that area to settle their difficulties with Yugoslavia first.

Mr. COLDWELL: That is, Yugoslavia is not a base now for Greek guerrillas?

Hon. Mr. PEARSON: No, Yugoslavia is not co-operating with the guerrillas. Yugoslavia has improved its relations with the Greeks.

Mr. GRAYDON: Since we seem to be going around into the Mediterranean, I would like to suggest that there has been a good deal of discussion with respect

to the return of the Italian colonies, and the general situation in the Mediterranean as it relates to Italian aims and claims at the moment. I wonder if the minister would feel free to elucidate that for the committee.

HON. MR. PEARSON: I think that has been one of the achievements of the United Nations Assembly. We succeeded in getting through our committee a few days ago a resolution that got a very large majority, in fact, more than the necessary two-thirds. This resolution provides for the settlement of the Italian colonies question. You may recall that at the last assembly we were not able to do this. The reason it was impossible to get a two-thirds majority at that time was the feeling of the Latin American states that some recognition must be given to Italy's claim to some African territory in some form and that was not agreed to by others. This made impossible a settlement for any of the territories. This year the assembly has recommended and it will be put into effect that Libya become an independent state in two years, and that during that time a United Nations commission work with the administering authorities arranging the basis of the new constitution. There was some objection to that. The U.S.S.R. wanted Libya to be independent at once.

MR. MACINNIS: They were not ready for independence?

MR. GRAYDON: There would be a chance for some chaos in that proceeding.

HON. MR. PEARSON: The British were a little worried that this decision of the United Nations would mean that the Cyrenaicans would not be allowed to have their own form of government in the Libyan state and the British have a special obligation to the Cyrenaicans. However, the British have accepted this, and the commission will be appointed and will advise the British authorities how to carry out this undertaking by which Libya becomes an independent state. We will have a new Arab state in two years. The other two colonies are Italian Somaliland and Eritrea. No agreement was possible on Eritrea. Some delegations thought that Ethiopia should annex Eritrea and others thought that Eritrea should be independent, and therefore we decided to send out a commission to ascertain the wishes of the Eritreans. It looked for a time as though Canada was going to be on that commission. We were nominated for it but there were two or three other countries who were anxious to be on and we withdrew in favour of South Africa. In Italian Somaliland, the solution is that Italian Somaliland is to be given independence in ten years, and meanwhile it is to be a trust territory under Italian administration. That gave the Latin Americans what they wanted; it gave Italy a trusteeship in Africa but for ten years only.

MR. GRAYDON: Abyssinia has been opposed to all this.

HON. MR. PEARSON: No, they accepted the Libyan solution. They were opposed to the Somaliland and Eritrean solutions. They felt that their interests in that part of the world were not sufficiently recognized in those solutions.

MR. McCUSKER: Where will Italy find an outlet for its surplus population?

HON. MR. PEARSON: I do not know, not in Italian Somaliland. We had some very interesting information on Somaliland from delegations which came from there. They were interesting appearing and interesting talking gentlemen. One organization, called the Somali Youth League, the antecedents of which are not above suspicion, claimed that immediate independence was the only thing that would prevent bloodshed. Its representative was succeeded on the witness stand by that of the Somali organization for Italian trusteeship. That is the name as I remember—I forget its name exactly. He was asked how many

people his organization represented and he replied ninety-seven per cent. When it was suggested that it was difficult to reconcile these two factors, he shrugged his shoulders, and when he was asked how many people there were in Somaliland, he said that was a statistical matter of which he had no knowledge.

Mr. LEGER: Would you say that the international situation is much better than it was a year ago?

Hon. Mr. PEARSON: Well, that is a pretty big question on which to toss off a careless answer. I think it is brighter and I think the main reasons for that improvement are the success of the air lift in defeating the blockade of Berlin—these are not in order of importance—the economic improvement in Europe, and the steps that have been taken towards economic unity. More important, I think, than the other reasons given, is the formation of the North Atlantic Alliance which has made a very considerable impression on any aggressive forces in Europe, because, I think, it has convinced such forces that they would meet collective resistance. I think the building up of the armed strength of Europe is also a factor in the improvement. All these things, I think, have decreased the tension in Europe but that improvement does not seem to have extended to the far east.

Mr. LEGER: Would you say that the Russian resistance is just as great as it was?

Hon. Mr. PEARSON: Russian resistance?

Mr. LEGER: Yes.

Hon. Mr. PEARSON: Resistance to what?

Mr. LEGER: Towards—

Hon. Mr. PEARSON: There are no signs visible that the Russian attitude in respect of all the controversial questions that confront us has changed at all, but I think the fact that the Russians know that the Western world is united in resistance to unjust claims is a very important factor in holding them back. I was reading again the other day an article in a magazine called "Foreign Affairs" entitled "Coalition for Peace" and I came across this paragraph which I think is a very important analysis of the position. This was written in 1948 in October. It is an article by Hamilton Fish Armstrong, the editor of the magazine, a wise commentator on international affairs, and he said at that time:

... the present risk of war seems to me to come chiefly from allowing the world to continue in a twilight zone where one side assumes that collective security exists and the other counts on taking advantage of the fact that it does not. The danger that Soviet Russia will deliberately choose to make war on the west does not at the moment seem so strong as the danger that the credulity and arrogance to which all dictatorships are prey will mislead her as to the limits of our tolerance and that in her ignorance she will commit an act so little different from aggression that we shall inevitably adopt counter-measures, with unpredictable results. A prudent course, then, all other considerations aside, would be to put Stalin on notice that we and others are determined and able to meet force with force.

And I think that has been done since that article was written.

The CHAIRMAN: You think this has been done?

Hon. Mr. PEARSON: Yes, and I think they know that the situation is different.

Mr. COLDWELL: I was going to ask you this with regard to the satellite nations: Britain is trading with Poland pretty heavily and also with Czechoslovakia and so on. Is there any indication of the change of attitude on the part of the Polish delegation in regard to Soviet control?

Hon. Mr. PEARSON: The most violent speeches at the United Nations Assembly in support of the cominform position, I think, have been made by the Polish delegates. I think that the example of Yugo Slavia in standing up to the might of the Kremlin has had some effect on the people of the satellite countries, and that in turn has had something to do with the rather drastic measures which have been taken recently in Czechoslovakia and which are going on at the present time in Poland and have resulted in a Russian marshal being made minister of war in the Polish cabinet. That seems to me to be a defensive move instead of an offensive move, and suggests a feeling of uneasiness.

Mr. Low: Is there any change in the attitude of Manuilsky?

Hon. Mr. PEARSON: No, he speaks just the same way. He still has that twinkle in his eye though.

Mr. GRAYDON: May I ask the Minister whether there has been any significant change in Russian approach because Molotov has been moved into another position, and Vyshinsky has taken his place.

Hon. Mr. PEARSON: I see no change whatever as a result of that. We have tried to make appeals to the Russian delegation at this assembly, notably the appeal made by Hector MacNeil the other day. That kind of appeal seems to be pretty useless. Vyshinsky claimed in the meeting the other day we were talking back to them. I think we should talk very frankly to them. It seems to me to be the proper course to pursue.

Mr. COLDWELL: Is there any indication of any of our broadcasting getting through to the Russian people, any reaction?

Hon. Mr. PEARSON: They are making the strongest effort to ban these broadcasts; that, I think, is possibly a measure of their effectiveness.

Mr. MACINNIS: I wonder if Mr. Pearson would care to make any remarks as to the likelihood of political stability in Indonesia following the settlement which has been made there.

Hon. Mr. PEARSON: Well, I would say this. I consider it a real United Nations achievement to have organized this mediation which has been or which is being successfully concluded now at The Hague where they have succeeded in bringing about an understanding between the Indonesian and the Netherlands governments. I think that that solution, as I said on Wednesday, will result in stability in the area in question, but one cannot be certain of that. It seems to me that the difficulty now will be in the ability of the Indonesian leaders when they go back to their country, to control their extremist elements.

Mr. MACINNIS: Is there any connection between American occupation and a feeling of general uneasiness throughout the east with regard to the situation as it is developing there now?

Hon. Mr. PEARSON: No, I have not detected any uneasiness of that kind, but I have not really talked to very many people generally about events in that part of the world. We have not reached that item on our agenda yet, we had not when I left. We have been thinking more about the middle east, the Mediterranean Area, and we will be moving on now to that part of the world, the far East.

Mr. GRAYDON: May I ask the Minister if we will proceed with this administrative item? I understand that there is some disposition to deal with representation, particularly item 53. Before we come to that may I ask the Minister if he will deal with this as well. I think it is a matter which is more

keenly in the minds of the Canadian people at the moment than almost any other single thing, and that is the question of moving towards agreement on the atomic control issue.

Hon. Mr. PEARSON: I will be very glad to say a few words about that, and it may be that later you will have an opportunity of hearing from General McNaughton on the subject. It is the number one question before the Assembly.

Mr. GRAYDON: Yes.

Hon. Mr. PEARSON: And it is the number one question before the world. I was very glad that we had such a good debate on it down there at Lake Success where the issues are now clearly drawn. These atomic discussions have been going on for some months now between representatives of the six powers and little progress was made in that group which includes the U.S.S.R. on the one hand, the United States, the United Kingdom, France, China and Canada on the other. There has not been the slightest indication of an easing of the different positions. I would say that, on the contrary, the positions have hardened, because these talks were technical, as they should have been; and were conducted by men who had been working on these problems for a long time. I felt myself it would be a good thing to get an Assembly committee to talk about it, and that is why we welcomed a discussion of the report of the Atomic Energy Commission at the Assembly. In this discussion I think our position was made not only clear but so convincing that people in the United States and in our own country understand the fundamental difference between the two positions. The U.S.S.R. delegates have done their very best to distort and misrepresent the situation. They have thrown all the dust they could in the eyes of the world about it. The position is perfectly clear, however. We say—and by we I mean the five other members of the Atomic Energy group that I have mentioned—that there can be no guarantee, no assurance that atomic energy will be used only for peaceful purposes unless the development and control of this energy is put into the hands of an international authority; until all nations agree to turn over the operation of their facilities to that authority and by some form of treaty arrangement bring all atomic energy facilities under an international authority which all countries concerned would accept. We say also that in addition to international operation—I do not like to use the word “ownership”—this control must be exercised in such a way as to permit adequate and rigid inspection of what is going on in every country. Once that has been agreed to, and once these measures are in effect, then you can prohibit the use of the atom bomb and you can destroy the stockpiles that any country may have collected. How long will that be? I don't know. But you cannot prohibit and destroy until you are sure that your scheme is in operation. You cannot, as Russia says, sign an agreement for control and one for prohibition and put them into effect at the same time, because then the United States will have given up its most important weapon on the understanding that some time in the future a control scheme will be made effective. Naturally, we say that until that control scheme is effective, prohibition and destruction of atom bombs should not take place. It should not take very long after the signing of such a treaty—it may be perhaps two or three years—until the scheme is fully operative. But the whole scheme must rest on efficiency of inspection to make sure that the engagements which have been undertaken are being carried out.

Mr. GRAYDON: Make sure that there is no bootlegging of the atom.

Hon. Mr. PEARSON: That is right. There should be no bootlegging of the atom bomb. That means that the inspector must be able to go into a country, must be able to go into any plant, must be able to inspect any mine and make any inquiries that he wishes to make. Now, the Russians say: we believe in international control, we believe that the atom bomb should be outlawed and

all existing atom bombs should be destroyed. We have some of them now to destroy and we want to do that at once. We want to destroy all the atom bombs in the world and say that we will never use them for warlike purposes, and only then we will have control scheme come into effect. They also say that they favour control, international control and inspection, but their position on this is not the same as ours at all. That is the one great difficulty we face in the application of this scheme. They tell us that they will accept inspection; that you can come and inspect periodically all the facilities which they are prepared to disclose. Now, by "periodically" they mean that you can come at stated intervals and see what you are supposed to see. If an inspector has any reason to believe—or if the international control authority has any reason to believe—that there is something wrong, he can investigate but how is he going to get from a communist country the evidence that would warrant such an investigation. Such a plan would not give the necessary assurance which would convince people in our country and people in the world that all countries were really observing the engagements they had undertaken. Until we can reconcile these positions it is going to be very difficult to work it all out.

Mr. COLDWELL: I may say, Mr. Pearson, that I listened to one of your radio talks from Lake Success about this very matter and I thought you were receding slightly from the position which you had described earlier. I am being quite frank with you in saying that I thought you had as I understood it at least taken a more moderate view.

Hon. Mr. PEARSON: I suggested in that broadcast that possibly if we could get a one hundred per cent effective scheme of inspection, a scheme which would be one hundred per cent effective, we might be able to limit to some extent the power of the international operating authority.

Mr. COLDWELL: That is what I thought.

Hon. Mr. PEARSON: And leave more control in the hands of each separate state.

Mr. COLDWELL: How was that received?

Hon. Mr. PEARSON: It was not received very well in certain quarters in the United States.

Mr. COLDWELL: That seemed to me to be a reasonable compromise, if we can't get the whole thing by international control. The difficulty is that it involves the matter of ownership, and if we could not get complete and adequate control some lesser measure might be sufficient providing it was complete and adequate.

Hon. Mr. PEARSON: It might be; and that is one of the things I think we will examine when we implement the resolution which has been passed, asking the six states to keep on working. One of the things I hope they will be able to discuss will be that second question that you have mentioned, secrecy in respect of atomic activities, and whether any of the security regulations can be lessened in the light of recent developments.

Mr. COLDWELL: Is not peacetime control almost as important as military control because if one uses it indiscriminately it could possibly affect world economy, conceivably.

Hon. Mr. PEARSON: Yes, it could, but as I see it there are two basic difficulties; one is the Russian state system which makes inspection in that country by an outside authority impossible. Now, the other difficulty is even more basic; until we have a restoration of some measure of confidence and trust between the two worlds, any international control of atomic energy is extremely difficult if not

impossible. It is all part of the general international picture. If that picture improves it will be easier to go ahead with our examination and control of atomic energy.

Mr. GREEN: Is there effective international control of any activities in all countries?

Hon. Mr. PEARSON: Any activities?

Mr. GREEN: Yes.

Hon. Mr. PEARSON: I think the closest to it would probably be the opium control body, narcotic control.

Mr. GREEN: Is that an effective control?

Hon. Mr. PEARSON: No, it is not effective, it is not a hundred percent effective; but it is partially effective at least in that it covers pretty well the whole world.

Mr. FLEMING: I am not sure that I would share the optimism you mentioned about the efficacy of controls in a country the size of Russia. How could you possibly have, today, really effective inspection?

Hon. Mr. PEARSON: Well, I cannot really enlighten you very much on this because I am not technically qualified. When General McNaughton is here he will be able to give you a convincing statement. But you know a plant for the production of atomic energy cannot be produced in a hurry, and it cannot be tucked away where it would be obscure and ignored. It is a tremendous undertaking. Technically I am told that it would be easier to control this particular activity than almost any other kind of industrial activity in the world because of the difficulty in the construction of the plant; and if inspectors could wander around the country and take a peak here and there they would probably be able to know what was going on. You cannot "moonshine" it in a Kentucky still, in some obscure corner of the woods. It would not be hard to find out what was going on.

Mr. FOURNIER: Is it pretty sure, Mr. Minister, that the Russians have developed an atomic explosive?

Hon. Mr. PEARSON: I think it is pretty sure, yes. If it had not been considered as pretty sure by the three governments most concerned on the basis of scientific advice which they had received, they would not have issued the statement which they issued two months ago.

Mr. FOURNIER: Can we ask you how the American Government could know that there was an atomic explosion somewhere in Russia?

Hon. Mr. PEARSON: Yes, you can ask me that and I can tell you; but I do not know whether I should?

As a layman, and not as a scientist, I am myself quite convinced by the evidence I have seen that the detecting apparatus of not only the United States but of the United Kingdom was quite adequate to detect with almost complete certainty what had happened, roughly where it happened, and when it had happened. I do not think I can go any further than that.

Mr. MCCUSKER: I think the press went even farther. The press stated certain aeroplanes with special equipment picked up radio active dust. I do not know whether they were flying a kite or giving actual information.

Mr. GREEN: Would the minister say it is more difficult or less difficult to work out an inspection system for atomic development than it is to set up an international police force?

Hon. Mr. PEARSON: I think those two things would probably run neck and neck in regard to difficulty.

I think if we ever reach a stage where we have enough international trust and confidence and good relations between nations that we can set up an international atomic control or inspections board, we will also be able to set up an international police force.

Mr. GREEN: The inspection board would in fact be a police force.

Hon. Mr. PEARSON: Yes.

Mr. COLDWELL: There was never any doubt that the Russians would discover the principles of atomic energy. The basic knowledge was in possession of all countries in the world before 1939.

Hon. Mr. PEARSON: Well, if you read the statement by Mr. Truman, Mr. Attlee and Mr. King, made in 1945, it stated that the control of atomic energy by any one nation was impossible. We were out a little in our estimate of when the Russians might be able to explode their first bomb, but not very far out—a year or two.

Mr. GREEN: Has there been any suggestion that the nations should simply go ahead and develop atomic energy in the same way that they would develop any other invention, lifting entirely the secrecy restrictions? The reason for the suggestion may be that the democracies are in a much better position than the Russians to make the advances?

Hon. Mr. PEARSON: No, I never heard that suggestion. There is nothing, of course, to prevent any nation from going ahead and doing just that if it is able to do so. At the present time the United States would be the nation best able to do so because it has the most complete facilities. Other nations are working on atomic energy production, however, and it is probable that in the course of time simplified processes will be discovered. Ten years ago, or five years ago, one nation had the secret; then two, then three, then four. Ten years or five years from now fifteen or twenty or twenty-five nations will have the secret. Whether that will be an improvement in the situation I do not know.

Mr. GREEN: I am not advocating control but the suggestion is given that secrecy restricts development. Development is being restricted and if the restrictions were lifted nations would be able to go ahead and do the best they could in the way of development and the democracies would be just as safe as they are today.

Hon. Mr. PEARSON: I am suggesting that nations are permitted to do that today. We can go ahead in Canada and do what we like, subject to certain restrictions which have been agreed to between the United States, the United Kingdom, and Canada.

Mr. GREEN: We are told by Dr. Mackenzie that the secrecy restrictions are hampering development.

Hon. Mr. PEARSON: There are nations which are not subject to any limitations at all.

Mr. Low: They have not the money in the first place.

Hon. Mr. PEARSON: Those nations have not got the facilities—the financial, the mechanical, the industrial facilities—at the moment, but they may have them five years from now.

Mr. GRAYDON: When poison gas was first used in the first great war there was a wave of fear swept across the world, predicated on the belief that all wars would be won by that particular new weapon; still, we saw the next world war come and go without, as far as I know, a single bit of poison gas being used. Is there not always the possibility, because of the inherent danger in the atomic bomb itself, that nations will be retarded, not so much from the standpoint of international regulations, but from the strict fear that the originator of the move will himself be obliterated by virtue of the initiation of its use?

Hon. Mr. PEARSON: It might well be that if fifteen, twenty, or twenty-five nations have acquired the ability to blow up the world and with it, to blow up themselves, then no one of those twenty-five nations will take the responsibility for doing so; but who wants to live in a world under the shadow of that fear?

Mr. GREEN: We are living in that kind of a world now.

Mr. COLDWELL: It is not necessary to make an atom bomb. Chemical warfare is much the same thing.

Hon. Mr. PEARSON: There are people who say that atomic warfare is not going to be as bad as bacteriological warfare or chemical warfare. However, I do not get any particular comfort out of the fact that an atomic bomb war may not be as bad as some other kind of warfare.

Mr. COLDWELL: Yes, but still they might have something else to offset the atomic bomb.

Mr. FOURNIER: It is a matter of defence.

Mr. GREEN: If the committee is through discussing this particular subject I would like to ask one or two more questions about problems which we have that concern the United States.

My first question has to do with international gas pipelines. There are some of those lines crossing the boundary at the present time but apparently there are to be others crossing from Canada. Has the department given any consideration to the question of whether there should be international agreements negotiated to cover the installation of those pipelines? For that matter, are there any such agreements in existence at the present time?

Hon. Mr. PEARSON: Mr. Green was good enough to mention this point to me after the meeting this morning. I am not aware of any international agreements of that kind but there might be some. We are making some inquiries in the division of the department concerned to see what the situation is in that respect and we will be very glad to bring the information to the committee.

Mr. GREEN: Apparently the position at the present time is that the private companies really decide what has to be done about the pipelines crossing the boundary.

Hon. Mr. PEARSON: I am not sure. There are domestic arrangements in both countries covering this matter but whether there are any international agreements I do not know. I probably should know but I do not. I will get the information for the committee.

Mr. GREEN: The suggestion is that if there is a pipeline from one part of Canada into the United States there should be an agreement that there will be a continuous supply of the same product from the United States into another part of Canada. It seems to me that can only be covered by an international agreement?

Hon. Mr. PEARSON: Quite so.

Mr. GREEN: I suggest the department give some consideration to that question?

Hon. Mr. PEARSON: We have already begun to consider it since I had a word with you at lunch time.

Mr. GREEN: Another question has to do with British Columbia. We have great difficulty in keeping open a road during the winter through the southern part of the province between the city of Grand Forks and the city of Rossland. We, in British Columbia, have been led to believe that the Canadian Government is negotiating with the American Government for permission to have a highway run ten or twelve miles south of the boundary in the state of Washington.

A road there could be kept open during the winter and it would be very much better for the whole of our province. Can the minister tell us whether there have been any negotiations about that road?

Hon. Mr. PEARSON: At the moment I cannot tell you but we ought to be able to find that information very shortly. We are already making inquiries on the point.

Mr. GREEN: Has there been any agreement of that type in any other part of Canada?

Hon. Mr. PEARSON: I cannot answer that question offhand. We have, of course, the International Boundary Commission which deals with these matters and it probably has made agreements of that kind, but I will try to make a complete report on that to you later.

Mr. GREEN: The Americans are planning on making an extensive development on the Columbia river and part of that development will be in Canada. There might be a chance for a *quid pro quo*. If we give them a chance on the Columbia they might give us an opportunity to have a road through the northern part of the state of Washington.

Mr. McCUSKER: At a meeting of a southern highway group downstairs—and this has nothing to do with the present situation—it was stated by a man lecturing before the group that, on account of the fact certain rights on certain property in the Yukon having been ceded to Alaska for a roadway, a similar amount of property to permit of this highway was being ceded to Canada. Representations were being made to Washington. I do not know whether the lecturer stated fact but he did say what I have told you.

Hon. Mr. PEARSON: I think the statement is a little premature. I do not think there is any real authority for it at this time although the matter is under consideration.

Mr. GREEN: Have there been any negotiations by the Department of External Affairs?

Hon. Mr. PEARSON: I do not know of any negotiations and Mr. Heeney does not know of any. I have been away but Mr. Heeney, who has been in touch with these matters does not know of any negotiations.

Mr. GREEN: Are there any negotiations under way whatever to change the boundary between Canada and the United States?

The Alaska Panhandle was the subject of rumour two or three years ago when the Americans were asking to have the boundary extended some distance to the south. There was considerable concern in British Columbia over the rumoured change and I wonder whether there are any negotiations now under way?

Hon. Mr. PEARSON: There has been nothing done recently that I know of on such boundary negotiations. We are trying to find out from the Boundary Commission whether they have done anything on that.

Mr. GREEN: That would not come under the Boundary Commission?

Hon. Mr. PEARSON: The Boundary Commission often makes preliminary recommendations to the Government.

Mr. GREEN: It is under your department.

Hon. Mr. PEARSON: Yes. Mr. Moran may know something about this?

Mr. MORAN: I do not know of any discussions having taken place. Our member of the International Boundary Commission is away attending a meeting of the International Joint Commission. His assistant is not aware of any discussions on the point.

Mr. GREEN: The final question has to do with the air agreement between the United States and Canada. The Minister mentioned it in his speech in

the House. I think he should go a little further and outline just what the position is at the present time. It seems to be a ridiculous situation. You have made an agreement with the United States and now they are not carrying it out. Apparently they are being held up by one of their American companies.

Hon. Mr. PEARSON: That is quite right. We made an agreement with the United States, but international agreements of that kind are subject to legislative implementation. We, ourselves, have had trouble in implementing by legislation some of the agreements we have made with other countries. We have put into effect, at once, the concessions which we have made to the United States under this agreement. We were in a position to do that. The most important concession, from some points of view, is the right of the United States air lines to use Gander and subsidiary airports in Newfoundland. We have not given them the permanent right because they have not implemented their part of the agreement. But they are operating under temporary permission, a month at a time.

Mr. GREEN: You have been doing that now for some months?

Hon. Mr. PEARSON: Yes, for some months. But meanwhile, the right of the United States executive authority to make this agreement was challenged by the Colonial Airlines which would have suffered by the agreement. That case is now before the courts.

Mr. GRAYDON: It was decided yesterday.

Hon. Mr. PEARSON: It was decided yesterday by a two to one decision in favour of the President's right to make this agreement. But the decision has been appealed. It will now have to go to a higher court.

Mr. GREEN: That may take months.

Hon. Mr. PEARSON: It may take months. But we are in almost daily touch with the United States authorities on this matter, and we keep telling them that we cannot continue indefinitely to carry out our part of the agreement unless they carry out their part. I would not like to go any further than that now because there is a possibility that some way may be found of working this out on a temporary basis, while the appeal is being heard, along the lines that we followed in giving certain concessions, on a temporary basis, until we got matters cleared up.

There is not very much more I can say. It is quite obvious that we cannot go on indefinitely making concessions to the United States under an international agreement if they do not carry out their part of the agreement.

Mr. COLDWELL: What do you mean by "indefinitely"?

Hon. Mr. PEARSON: Well, for not too long a time. We are not, I should think, suffering very much at the moment by their inability to carry out this particular part of the agreement. There are other parts of the agreement which are being carried out. This particular difficulty, however, means that T.C.A. is not yet able to fly from Montreal to New York.

Mr. GREEN: What would be the position if the legal decision goes against the United States Government?

Mr. HARRIS: It would be a matter of public policy at that time.

Hon. Mr. PEARSON: If the position taken by the Colonial Airlines is vindicated in a higher court, then it will not be, presumably, possible for the United States government to carry out the agreement or any of the agreements covered by this—perhaps I should say clauses covered by this agreement; so we will certainly have to reconsider the whole matter, because this would be a very important decision indeed. It would involve not only the Canadian-United States bilateral air agreement, but the United States air agreements made under this authority with other countries. They might be even more embarrassed by that decision than we would be.

Mr. GREEN: Is there any hope of getting away from or ending these bilateral air agreements, and getting a general agreement?

Hon. Mr. PEARSON: It would be pretty difficult, under the present situation to get a general agreement covering this.

Mr. FLEMING: In regard to article 5 of the Geneva Trade Agreement which dealt with transit rights over Canadian soil between American points of origin and American points of destination which was signed without consultation with the province of Ontario, which province has complete jurisdiction of the highways over which that traffic was to move, what is the position in that matter today? I should say that that situation was discussed, I think, in this committee, or it may have been the Banking and Commerce Committee a year ago at some length in connection with a review of the Geneva Trade Agreement; but I think no information has been given to parliament within the last twelve months. How does the matter stand under article 5?

Hon. Mr. PEARSON: It is my impression that the position of a province in regard to the implementation of this part of the agreement is taken care of by a reservation in the agreement itself. What is that reservation? Do you know, Mr. Moran?

Mr. MORAN: It is not a reservation in the agreement; but at the conference in Geneva the Canadian delegation made its position clear that it was unable in any way, to commit Canada on those matters which were solely within the provincial jurisdiction. The United States delegation made the same reservation in connection with state legislation. Thus all signatories to the Geneva agreement were aware that matters coming within provincial jurisdiction were subject to acceptance by such provincial governments. In the case that Mr. Fleming has brought up, it is a matter which the provincial Government of Ontario has not seen fit to implement. On the United States side, there have been one or two cases where implementation of procedures agreed at Geneva have not been possible, because of state legislation.

Mr. FLEMING: Are any representations being made to the Canadian Government by the United States Department of State in that regard?

Hon. Mr. PEARSON: Not for several months, I think.

Mr. FLEMING: What is the nature of the representations that were being made prior to that time?

Hon. Mr. PEARSON: I think they expressed the hope that we would be able to implement the clause of the agreement; and they called our attention to this matter and hoped that we would carry out that part of the agreement.

Mr. FLEMING: Knowing that it does not lie within the power of this Federal Government to carry it out?

Hon. Mr. PEARSON: They know that because they were informed about it at the conference at Geneva.

Mr. FLEMING: I would like to turn back now to Asia. I do not know whether you were asked this question earlier because I had to be out of the room for a short time. Have you made any statement in regard to diplomatic representation to the Israel Government?

Hon. Mr. PEARSON: No, I have never made any statement on that matter.

Mr. FLEMING: Could you give the committee some information on that subject?

Hon. Mr. PEARSON: Well, I can say that there are several countries where-in we are not now diplomatically represented, which countries have asked us to be so represented; and those countries, in priority, would come ahead of the state of Israel, that is, in priority of requests.

We have diplomatic representation now in thirty-three countries; but there are eight or ten countries which have asked us to send diplomatic representatives; and some of those countries have already established diplomatic representations in Ottawa.

Mr. FLEMING: Have you any objection to giving us the names of those countries?

Hon. Mr. PEARSON: No, but I would not like to tell you the names of the countries which have asked us to send diplomatic representatives because they are a little touchy about making overtures to us. They naturally think we should be so glad to be represented in their countries that they should not have to request it of us. There is no Canadian representative in Uruguay. There are countries in South America like Colombia and Venezuela, where Canadian interests are growing and where Canadian diplomatic representation would be welcomed. There are countries in Europe such as Portugal and Spain; and there are countries in Africa such as Egypt, where we have a Trade Commissioner, but where I think they would welcome a diplomatic representative. Israel has a Consul General now in Montreal, and they would welcome a special diplomatic establishment or a consular establishment in Tel Aviv. The limiting factor, so far as we are concerned in the department, is that of finance. We cannot expand in too rapid a fashion.

We attempt to open an office when that office is required, but we do not open more than one or two offices a year. And another limiting factor is that of personnel. We are building up a diplomatic service. We are training younger officers to take more and more responsible positions. But that all takes time. We are in a position now where I think we have sufficient reserves of personnel to provide for necessary expansion, but the provision of the necessary money, gentlemen, is in your hands.

Mr. FOURNIER: Would you tell us about the Vatican? We would like to have information from you, as the Minister, about the Vatican.

Hon. Mr. PEARSON: The Vatican is one of the cases I should have mentioned when I gave those other countries, where a Canadian diplomatic representative would be welcomed.

I would not care to express any personal or official opinion on that subject at the present time because, as you know, that is a matter which has caused a certain difference of opinion in Canada.

Mr. FOURNIER: Surely!

Hon. Mr. PEARSON: Any decision in regard to the Vatican would be taken by the Government, and I would not like to anticipate that decision by expressing an opinion on the matter now.

Mr. LEGER: Could you tell us how many nations have representation at the Vatican?

Hon. Mr. PEARSON: I think between twenty and thirty; certainly more than twenty.

Mr. FOURNIER: Do they represent their nation?

Mr. LEGER: Some of the most important.

Hon. Mr. PEARSON: Some of the most important.

Mr. FOURNIER: Do they represent their government or their nation on the same footing as any other ambassador or representative elsewhere?

Hon. Mr. PEARSON: Yes. They are on exactly the same basis as a representative in any other country except, I think, in the case of the United States whose representative to the Vatican is a special envoy from the President.

Mr. COLDWELL: He is a personnel representative of the President of the United States.

Mr. FOURNIER: Do you think that the Vatican would be prepared to accept our Ambassador at Rome, who is already there?

Hon. Mr. PEARSON: The Vatican has always shown great reluctance to receive as an accredited representative the diplomatic agent also accredited to the Government of Italy. In fact, I do not know if that has ever been done.

I do not know of any case where the representative to the Government of Italy has also been the accredited representative to the Vatican.

Mr. COLDWELL: The United States is represented at the Vatican through the personal representative of the President. Now, what about Great Britain?

Hon. Mr. PEARSON: Great Britain has a diplomatic representative at the Vatican in exactly the same way as she has a diplomatic representative in Rome, itself. I think his rank is that of Minister to the Vatican.

Mr. FLEMING: I would like to ask the Minister how the Canadian problems vis-a-vis these representative countries are handled? Take some of the more important countries which you have mentioned, for example.

Hon. Mr. PEARSON: That is a very interesting question. There are various ways of dealing with Canadian business in countries where we have not our own diplomatic representative. Take Venezuela. We have a consul general there. He is in reality a Trade Commissioner, an official of the Department of Trade and Commerce, but he has the status of a Consul General. He does consular business and anything we wish to take up with the Venezuelan Government could be done through him.

In Colombia there is a Canadian Trade Commissioner. He has not consular status, but we could use him on certain diplomatic inquiries. If there was an important diplomatic matter to be taken up with the Government of Colombia, we could do it through the good offices of another diplomatic mission, that of the United Kingdom or the United States. Normally, it is the United Kingdom.

Or, we have other procedures which we could follow. We could ask our Ambassador in Washington to see the Colombian Ambassador and talk to him about it, and he would take it up with his Government.

In recent months we have also been using the representatives of other countries at the United Nations.

Mr. FLEMING: What about similar problems in Israel?

Hon. Mr. PEARSON: Israel has a Consul General in Montreal, and a representative at the United Nations. Then, in Tel Aviv there is the United Kingdom minister, and we might use him.

Mr. FLEMING: You have not had the occasion to do so yet?

Hon. Mr. PEARSON: We have not had occasion to do so yet.

Mr. COLDWELL: There are more Canadians in Tel Aviv than in any of these other countries?

Hon. Mr. PEARSON: Yes. There are a number of unofficial Canadian Ambassadors in Tel Aviv.

Mr. GRAYDON: Perhaps in view of the present and even greater future importance of our relations with India, may I ask the Minister, first of all, about our representation there now, and what the plans are for expanding it, and also, might I ask him: do we use the same representation for Ceylon, Pakistan, and India, or is it divided in any way?

Hon. Mr. PEARSON: Well, we have a High Commissioner and secretary and a commercial secretary at New Delhi, two secretaries.

We have had, I think, a very strong staff in New Delhi. We had Mr. Kearney as our High Commissioner and Mr. Morley Scott as counsellor, a secretary and a commercial officer. Mr. Chipman is taking Mr. Kearney's place.

We do not use the Indian Office for Pakistan or Ceylon. We are shortly to establish a separate office in Pakistan with its own High Commissioner. An announcement to that effect will be made before long. Meanwhile, there is a Canadian Trade Commissioner in Kurachi.

Mr. FLEMING: I would like to ask about the way in which fusion was carried out a year or two ago of diplomatic and trade representations abroad. Is it working out, under your department?

Hon. Mr. PEARSON: Well, fusion, is too strong a word. If you mean that the two services have been fused, they have not.

Mr. FLEMING: I mean unification of the administration under your department.

Hon. Mr. PEARSON: Where we have a diplomatic mission in a foreign country, representatives of other government departments such as Immigration become part of the diplomatic establishment, although they report directly to their own department. But, in policy matters, and for general supervisory purposes, they are under the head of the diplomatic mission. However, there is no fusion.

The Trade and Commerce representative becomes the commercial officer, let us say, of the embassy or location. That is the only way in which we have fusion at the present time.

Mr. FLEMING: That step, I take it, has resulted in some economy as well as in tightening up somewhat the form of Canadian representation abroad.

Hon. Mr. PEARSON: I would agree with you; and from our point of view, it has been very satisfactory.

Mr. GRAYDON: Are there any pending changes in the diplomatic personnel representing us in the various parts of the world in contemplation, at the moment?

Hon. Mr. PEARSON: Yes, there are some changes, and we shall be announcing them before very long.

We are sending a new Consul General to New York. That has been already announced. There will be a few other changes.

They are just routine transfers. We try not to keep a man in any one post too long, especially if it is uncomfortable and unhealthy.

Mr. MACINNIS: Does the location of an ambassador in a country depend on the amount of business we do in that country?

Hon. Mr. PEARSON: That is an important consideration as well as the possibility of extending that business. Primarily that would be the function of the department of Trade and Commerce, but I think the Trade and Commerce people, if they were here, would agree with me, that this work can be helped by diplomatic assistance. An ambassador has the prestige which attaches to his office, and representations on an economic or a trade matter at a higher level sometimes are more effective, provided he is the right kind of person. But if he is not the right kind of person, then it does not work out.

Mr. FLEMING: You announced last week the forthcoming meeting of the commonwealth ministers. I do not think you used the expression "Prime Ministers". You said that the meeting was to be held in Ceylon in January.

Is it fair to ask you if any agenda has been indicated?

Hon. Mr. PEARSON: Yes, that is quite fair. It is a meeting of Commonwealth External Affairs Ministers, or representatives of the governments. I think I said last night that at the last Prime Ministers conference it was suggested that when on occasion the situation seemed to warrant it, it would be a good thing for the Commonwealth External Affairs Ministers to get together.

This will be the first of those meetings. It has been called by the Prime Minister of Ceylon. Some suggestions have been offered as to the subjects to be discussed, and our views were asked as to what we thought should go on the agenda. We are now in the process of working out an agenda. There will certainly be a general survey of the international picture. That covers anything and everything. It will include a discussion of the situation in China and the far east. There may even be a discussion of economic questions, but it is not yet decided what actually will be in the agenda until the views of the various governments have been sent to Ceylon.

Mr. FLEMING: Do you expect that trade and exchange will be discussed as between member nations of the commonwealth?

Hon. Mr. PEARSON: I think that is likely, but it has not been decided yet. Some of the governments may think that this conference should not discuss that specialized subject, but I would not like to express that view. I can only say that it is possible it will be a subject for discussion; and that as soon as we agree on an agenda, we will make it public.

Mr. FLEMING: In the house, I think, on Wednesday morning, you drew attention to the fact that the statement had emanated from the prime ministers conference, and I think you used the expression "commonwealth of nations", not "British commonwealth of nations". May I ask if the subject of the title was discussed at that conference?

Hon. Mr. PEARSON: Yes, it was.

Mr. FLEMING: Is it fair to ask a question about the views expressed? I think the general impression is that the three Asiatic dominions took some exception to the title "British Commonwealth of Nations", because they regarded themselves not as being linked racially to the British people.

Hon. Mr. PEARSON: That is quite right.

Mr. FLEMING: Then how far do you feel free to indicate to us the discussion that was had on that subject at the conference, and what came of it?

Hon. Mr. PEARSON: I feel that I have to be a little careful about expressing the opinions of other governments. But I think it is well known that the new dominions from the sub-continent of India have taken the view and have expressed that view in public that the use of the word British as applied to those dominions is less appropriate, to put it that way, than it is when applied to other dominions. They have not, as you say, the same links of tradition and race and lineage as say New Zealand and Australia have with the United Kingdom, and which, indeed, Canada has with the United Kingdom. That is to say, the inhabitants of Pakistan, Ceylon, and India are not British in that sense, do not feel British in that sense. Doctor Malan, the Prime Minister of South Africa—I do not think he would object if he were here—does not feel British in that sense. Their attitude towards the use of the word British is obviously not the same as that of the Prime Minister of New Zealand who certainly does feel British in that sense.

Mr. GREEN: The position in that respect is that each nation in the commonwealth—

Hon. Mr. PEARSON: The position is that each nation in this association can use whatever expression it cares to use. It can use British Commonwealth of Nations, or Commonwealth of Nations and possibly in even any one nation of the commonwealth, people can use any expression they like.

Mr. FLEMING: There was no suggestion that those nations which had previously been members of the British Commonwealth of Nations should not continue to regard themselves as such, while there should be another commonwealth embracing the three Asiatic dominions.

Hon. Mr. PEARSON: No suggestion of that.

Mr. FLEMING: Is it fair to say that when the matter was discussed no conclusion was reached, and it is just sitting there?

Hon. Mr. PEARSON: No formal conclusion of any kind was reached. There was a discussion and a peculiarly British result.

Mr. GREEN: I hope you are not going to change the name of British Columbia to Columbia.

Hon. Mr. PEARSON: If we did, we should call it Columbia the Gem of the Pacific.

Mr. CHAIRMAN: English Columbia.

Mr. FOURNIER: In the province of Quebec, we call it Canadian Columbia in many places.

Mr. FLEMING: I gather that the matter is going to be left there. There is not any indication that that subject is going to be revived at any conferences, this one in Ceylon, for instance.

Hon. Mr. PEARSON: I know of no indication that it will be revived at all.

Mr. FLEMING: The parties are agreed to let the matter rest as it stands now.

Hon. Mr. PEARSON: That, I think, is the situation.

The CHAIRMAN: Have members any further questions to ask the Minister? I believe I am voicing the sentiments of all the members of our committee in thanking our Minister.

As Chairman of the Committee, I want to address the same remarks to all the members for the illuminating and very fine questions put to our Minister here today. Now before we leave we will have to decide on a sitting next week. I intended first to call a meeting on Tuesday morning at 11.30 but there is the Agricultural Committee sitting on Tuesday morning.

Mr. BATER: Yes, we are sitting at 11.30 on Tuesday morning.

Mr. GREEN: Would it be possible for you to arrange the time so it does not conflict with the meeting of the Atomic Energy Committee?

Mr. CHAIRMAN: Yes, we will certainly try to that end. By the progress we made today in these two sittings I think we have a chance of completing our activities next week in four or five meetings. So, tentatively, we will set the date of the next meeting at 3.30 Tuesday afternoon, November 22nd.

Mr. FLEMING: Mr. Chairman, with a view to saving of some time, in previous years, we had at one stage or another some detailed statements of figures brought in by departmental officials. Now, to save time, could we have those figures at an early date? For my part, I want to see the figures of actual expenditures for the last fiscal year, so that we may compare them with the appropriations requested this year.

Mr. HARRIS: Can we not pass this item?

Mr. CHAIRMAN: I believe that we are all in agreement that the Minister will be free now to go back to the United Nations.

Mr. MACINNIS: I think, Mr. Harris, we decided this morning to discuss policy today and administration the next time we sit, in dealing with the figures that Mr. Fleming wants.

Mr. FLEMING: Will you guarantee, Mr. Chairman, that all meetings of this Committee will be as interesting as today's?

Mr. CHAIRMAN: Yes. Definitely.

The committee adjourned.

1949

SECOND SESSION
HOUSE OF COMMONS

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS
AND
EVIDENCE

No. 2

TUESDAY, NOVEMBER 22, 1949

Estimates of the Department of External Affairs

WITNESS:

Mr. A. D. P. Heeney, 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

1949

MINUTES OF PROCEEDINGS

TUESDAY, November 22, 1949

The Standing Committee on External Affairs met at 3.30 o'clock.

Mr. Joseph A. Bradette, Chairman, presided.

Members present: Messrs. Balcer, Benidickson, Bradette, Breithaupt, Dickey, Fleming, Fournier (*Maisonneuve-Rosemont*), Fraser, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Graydon, Green, Hansell, Harris (*Grey-Bruce*), Leger, Low, MacInnis, Macnaughton, McCusker, Pinard, Richard (*Ottawa East*), Robinson, Stick, Winkler,—24.

In attendance:

Messrs. A. D. P. Heeney, H. O. Moran, S. D. Hemsley, Marcel Cadieux, Chief, Personnel Division, and M. H. Coleman, Accounts Branch.

It was agreed to appoint a subcommittee on agenda. Messrs. Beaudoin, Benidickson, Graydon, Harris, Leger, Low, MacInnis and Winkler were designated to act with the Chairman.

The Committee resumed consideration of the estimates referred.

Mr. A. D. P. Heeney, delivered a prepared statement on the work and the growth of the department, and on the estimates. He tabled for distribution copies of a comparative commentary. He was questioned. Mr. Heeney was assisted by Messrs. Moran, Hemsley and Cadieux.

Particular reference having been made to the selection of personnel, Mr. Heeney gave the scale of salaries and allowances of Foreign Service officers. He listed the names of heads of divisions at home, and a list of high-ranking officers abroad was taken as read, to be incorporated in his evidence.

Mr. Heeney tabled copies in English and French of a poster inviting applications for the positions of Foreign Service officers, Grades 1 and 2, dated October 28, 1949.

Vote 51 — departmental administration — was carried.

The Chairman called Vote 52 — Passport Office administration.

Answers to certain questions were supplied forthwith and Mr. Heeney undertook to make available to the Committee complete answers to questions by Mr. Fraser on capital expenditures and properties abroad.

The House division bell having rung, the Committee adjourned at 5.30 o'clock until Wednesday, November 23, at 3.30 o'clock.

ANTONIO PLOUFFE,
Clerk of the Committee.

EVIDENCE

NOVEMBER 22, 1949.

The CHAIRMAN: The meeting is called to order. I believe the first order of business will be a discussion of the necessity of appointing a steering committee. Last year we had on that committee Mr. Beaudoin, Mr. Benidickson, Mr. Harris, Mr. Leger, Mr. Low, Mr. MacInnis, and Mr. Winkler. There is only one member missing and if he could be replaced by Mr. Fraser, for instance, if that is acceptable to Mr. Fraser, I believe the committee will agree—or possibly Mr. Graydon?

Mr. FRASER: Mr. Graydon will be the best choice for that post.

The CHAIRMAN: We have no objection to that choice at all. All in favour of the steering committee?

Carried.

We are on vote 51 of the estimates for 1950 and I believe it would be the consensus of opinion of the members of the committee that we pass quickly vote 51 and then go into the other items on which you can ask direct questions about these different departments. Before proceeding, however, I would like you to hear Mr. Arnold Heeney, Under Secretary of State for External Affairs who has, I believe, a prepared statement to give to the committee.

Mr. A. D. P. Heeney, Under Secretary of State for External Affairs, called:

The WITNESS: This is a new experience for me and I realize that my minister is a hard man to follow. However, I find myself constantly in that position. I wondered how I could be most useful to the committee in examining the estimates of my department. After considering for some time I came to the conclusion that it might be helpful, if it is agreeable to the committee, if I were to put forward in detailed form what I conceive to be the principal work of the department. I will describe briefly the organization which we have to perform that work and then go on to make a few particular comments and observations upon the estimates which are before the committee. If it is agreeable I would like to proceed in that way.

In the first place I will say a few words about the work of the department. The Minister of External Affairs—still known as the Secretary of State for External Affairs—is responsible for all contacts between the Government of Canada and the governments of other external countries, foreign and commonwealth. I think that is perhaps useful to remember. But in addition to the external affairs contacts there are a number of special channels between the government and other governments for special purposes. I have in mind subjects like defence in connection with which we have established military missions in London and in Washington, for instance, which missions have direct contact with, as it were, their opposite numbers in those two capitals. Also, in the field of finance one may think of the special machinery that was set up following the September meetings between the representatives of the United Kingdom, the United States and Canada, which machinery is continuing to function and is functioning in part, at least, through officers of a department other than the Department of External Affairs.

And one could give a great many other examples of the special contacts between the Government of Canada and its various agencies and other governments for which we have not the same direct responsibility as we have in diplomatic matters. Nevertheless it is true that the department is responsible for the co-ordination of these international contacts so far as Canada is concerned, and the head of the external affairs mission in any country is the principal representative of the Government of Canada and is responsible to the minister and through him to the government.

Now, in the last few months I have had an opportunity of trying to analyse what the responsibilities of this department are, and I have come to this tentative conclusion that the classes of duties that we have to perform can be divided roughly under two headings. The first of those headings is, or might be called, reporting. This reporting involves the assembling of information coming to us from our own offices in other countries and information which we get direct from other governments through their representatives here, or through direct communication. As I see it, its purpose is to enable the minister and under him the department to recommend to government so that the government in turn may recommend to parliament policies, courses of action, which in the whole make up the foreign policy of the country. That, I think, covers a multitude of detailed duties that in general may be defined as reporting, informing and advising in order that the responsible authority may make the decisions upon which the foreign policies of the country are based. Second to that, the duties of the officers of the department are to carry out decisions once they are taken; taken by the minister in a certain range, taken by the cabinet in a range above that and taken by parliament in a range above that again.

It seems to me, that this class of duties which I have called reporting, informing and advising, probably constitutes the most important responsibility that the officers of the department have to discharge. These reports have to do with the policies, activities of outside governments as they may affect Canada or Canadian interests, and also the course of events in other countries inasmuch as they bear upon Canadian activities and the action the government may have to take.

The second group of duties—the carrying out of the decisions once they are taken—is rather difficult to describe. One might observe what happens in an embassy, in a high commissioner's office, and ask "What is all this diplomacy about anyway?" Well, I have managed to extract half a dozen headings which illustrate the ways in which the officers of the department carry out the decisions or further the policies which have been approved by the government. I am speaking now not only of the offices of the department in Ottawa but also the offices of the embassies, legations, high commissioner's offices, and consulates that we maintain abroad. They are for all practical purposes—and I think perhaps there is a little misunderstanding about them—branch offices of the department. These duties of carrying out decisions and policies may be classified this way. First, negotiations with other governments over a very wide range of matters, some of which are quite trivial except to one or two individuals, and some, of course, which are of the highest importance. Treaties, the Atlantic Alliance, and that kind of thing are most important of all; as for the trivia—one can think of a great number of examples. Secondly, officers of this department must, when they are serving abroad, try to insure that the governments to which they are accredited legislate or take action, which affect Canadian interests, only in a full knowledge of the way in which such actions may affect Canada. A recent example of that is our interest in the arms assistance program which has been before the Congress of the United States, the congress which has just adjourned. The third duty is the spreading

in other countries of information concerning Canada. That is a duty not only of the information officers we attach to certain of our offices abroad, but also of the diplomatic officers who must disseminate information as much as they can by contact with the press in the countries to which they are posted, by contacts with Canadian correspondents who visit those capitals, by a reasonable distribution of printed material where it will be used to give an accurate picture of Canadian conditions which in turn will reflect upon the relations between the countries. The fourth class of duties really covers the activities of the consular part of our service, and that involves the protection of the interests of individual Canadians abroad. Finally there is a group of duties which may be put under a heading of representing Canada formally and informally, some of which are of social importance and some of which are of substantive importance.

I should not leave the subject of the duties and work of the department without saying a word or two about international conferences. The work involved in the department in the preparation of work for international conferences has grown enormously in the last few years since the war. I have had a count made recently of the number of conferences that the Department of External Affairs had to do with in the year 1948 and I was told that the figure was ninety-six, which quite alarmed me. Then, I said: Make a count of the international conferences which we had to do with in one way or another to date in 1949, and they came up with one hundred and twenty-six. These conferences are not all of equal importance by any means. The most important, I should think, are the meetings of the United Nations Assembly which involve a great deal of work on the part of officers of the department; but there are a great number of meetings between other nations, between say two nations, which involve Canada, which require a good deal of application and hard work by the people in the department and by people on missions in the countries abroad.

By Mr. Graydon:

Q. Does that total include the international gatherings attended by the Trade and Commerce department?—A. Yes it would, because our economic division is interested in them and we have been given the responsibility for seeing about the physical arrangements and the co-ordination of instructions. Mr. Graydon will, perhaps, remember the kind of handbook we provided for the delegates going to United Nations meetings. Here is a copy of the last one. We tried to cover and submit to government draft instructions upon every important issue that might arise in the General Assembly or in the committees of the General Assembly. I think this duty has become a very important element in the work of our delegations at United Nations meetings. In addition there is the preparation of these instructions which, of course, are submitted to the government by the minister for approval. We have, as I say, other delegations, and this type of work takes quite a lot of time nowadays; delegations have to be so large in many cases. And also there is the preparation of reports, both those current during the operation of the conferences and final reports; the preparation of reports not only for the cabinet but for parliament, like the big volume that we brought out to cover Canada's work at the United Nations.

Mr. GRAYDON: By the way, can you tell me when we may expect the next edition of that report to be ready?

The WITNESS: Not long after the turn of the year. As you know the Assembly is still sitting. We are trying this year to preface it as the Assembly goes along. I do not know how successful we will be. We have one officer down here on that particular duty and he is supposed to write up the sessions day by day as the situation develops.

Mr. GRAYDON: Is he situated here?

The WITNESS: He is with the delegation in New York. I think it remains to be seen how that is going to work out, but we will have the volume distributed just as soon as we can after the turn of the year.

Now, a word or two about the organization with which we try to perform these tasks. We have some figures. There are some 1,250 employees in the department—actually 1,248 is the figure I have—and this number is divided almost equally between those at home and those serving abroad. Of these some 240 are officers and the remainder, something over one thousand, are clerical employees, stenographers, messengers and other subordinate staff.

Mr. FRASER: Would you mind my asking you a question? What was that figure in 1939?

The WITNESS: 174. I think that is right—yes, we had a total of 174 employees in 1939, of whom a very small number, a comparatively small number were officers. As a matter of fact, there were 33 officers.

The department staff at home consists of the under-secretary; a deputy under-secretary and two assistant under-secretaries. Under these officers the department is divided into twelve divisions. It might be of interest just to recapitulate the names of the divisions. Their duties emerge generally from their names. Three divisions are organized on a geographical basis. First of all we have the Commonwealth division; secondly the European division; and thirdly, the American and Far East division. The other divisions are organized on a functional basis. They are the United Nations division, which has the primary responsibility for all matters concerning the United Nations and other conferences of an international character. Then there is the Defence Liaison division—that is a new division in the department having to do with matters in which we are interested jointly with the Department of National Defence. Then there are the Economic Division, the Legal Division, the Information Division, the Consular Division, the Administrative Division, the Personnel Division and the Protocol Division. The Under-secretary's office,—by that I do not mean just myself and my immediate staff, but the under-secretary, the deputy under-secretary and the two assistant under-secretaries—is the co-ordinating agency for the work of these divisions and for directing the operations of the department generally under the minister.

Now, for our branch offices abroad: These comprise embassies, legations, high commissioners' offices and consulates, and they total 44 offices situated in 35 countries at the present time. Perhaps it would be of interest for the record if I were to say that these are divided into 14 embassies, 8 legations, 6 high commissioners' offices and 1 military mission—that is the Berlin Mission under General Pope, which was mentioned the other day; 1 Liaison Mission, so called, in Japan; then there are 7 consulates-general and 5 consulates; and 2 offices connected with the United Nations; one the office of the permanent delegation in New York, presently under General MacNaughton, and the other a small liaison office in Geneva which really consists of one officer and two other employees only. The staffs of these offices vary widely in size. I think at the moment the largest is the London office, with a staff of 89. The office at Geneva has one officer and two other ranks.

Now, a word about personnel, because I know that is a question in which many members have some interest and with respect to which we have had a good deal of correspondence with members of parliament. I have had a number of conversations, I know, with members who are interested in the policy that governs recruitment—I think you mentioned it the other day in your speech, Mr. Fleming. The impression seems to have existed—I hope it no longer exists—in some quarters that the only persons who could possibly get employment in the Department of External Affairs must be those with quite extraordinary academic qualifications. Well that, of course, is not the case, although we do require as a prerequisite for application a degree from a recognized university.

It is also true, and I would be very stupid to say otherwise, that post-graduate work in special subjects is, obviously, of value to the department, to the government and to the individual officer himself.

Mr. GRAYDON: Mr. Bevin seems to have got along very well without it.

The WITNESS: He does, indeed. I would not attempt to say what qualifications are required for a successful foreign secretary; but I can say what are the qualifications needed for a reasonably successful officer of the department. Well, the qualifications are stipulated by the Civil Service Commission, and they require a degree from a university of recognized standing; and that may or may not be a degree in arts. I think I am correct in saying that other degrees would qualify for candidature; anyway they would be sufficient to enable him to write the examination. My own view based on experience in the department, is that, as the department has grown, the need for people with a variety of gifts and a variety of experience has grown with it; and as one who is now attempting to administer efficiently this organization of over 1,200 people I am of the view that for different positions one does need particular qualifications, different personalities. And, therefore, I hope that the people who present themselves in future years will not fall too much into a pattern as perhaps has been the tendency in some foreign offices in the world.

The staff of the department is recruited directly as the result of competitions. These are held annually by the Civil Service Commission. I have, if any of the members are interested, a copy of a poster which has been sent out within the last few weeks to all universities in Canada and which has of course been posted in post offices and other public places throughout the country. This is an advertisement for a competition which will be held in the near future, in the new year, for officers in the first two grades, what we call foreign service officers grade 1 and grade 2. Normally we draw our higher grades of foreign service officers, those whom we need for the more senior positions, from existing staff; we encourage them through promotion. Normally, as I say, we try to get our people for the higher positions by promotion from the lower grades. The only exceptions which have been made in recent years to that practice have been when we have needed specialists of one kind or another, whom we have occasionally introduced for special work at higher levels above grades 1, 2 or 3.

Mr. FLEMING: Are you going to talk on the subject of language qualifications?

The WITNESS: I haven't got anything on it, but I would be glad to answer questions on that point, if you wish me to.

Mr. FLEMING: I was wondering what steps are taken to see that certainly those in senior positions going abroad—we had some discussion about this the other day—that representatives going abroad should be able to speak the language of the country to which they are being sent. I think it was pointed out in the course of our discussion that there are an increasing number of officers in the service of the department who have a knowledge of both languages, and that there are a few languages that are becoming increasingly popular. I am thinking now particularly that where an English-speaking Canadian is being appointed, steps should be taken to encourage him to acquire the use of French at least. I was thinking particularly of appointments to, let us say, South American countries. Do you think that would be of value?

The WITNESS: I quite agree with you, Mr. Fleming, and we are taking steps to encourage proficiency in languages—Mr. Cadieux will correct me if I am wrong—but I think it is true to say that in recent years the percentage of bilingualism in our service has been steadily rising. Today I think the percentage of bilingualism among the officers of the department is much greater than it was formerly. I do not know whether Mr. Cadieux would like to tell you something

about that or not, but I think I am safe in saying that the people we have taken into the department in recent years are to a large extent bilingual. I think I may say also that the department encourages a working knowledge of a second language. As a matter of fact, we attach such importance to that that we have special classes in French, and we encourage English-speaking candidates to improve their working knowledge of that language.

Mr. FLEMING: Have you any figures of the proportion of French-speaking Canadians who have been appointed to the service of the department?

The WITNESS: I haven't got them before me now but we can very readily get them. The minister mentioned one figure concerning the senior staff—how did he put it?—taking a financial criterion, of 24 senior officers, judged by salaries over \$8,000, I think of that number 10 had French as their maternal tongue. If you take \$8,000, or some figure that is near there, and over, the proportion is somewhat less but it is still strikingly high. Many of our chiefs of mission abroad have French as their maternal language.

Mr. HANSELL: Before you leave this question of applications, does the Civil Service Commission have the say as to who should be appointed?

The WITNESS: The Civil Service Commission is the body which makes the decision as to who has passed or who has not passed an examination. The Department of External Affairs, like the other departments—is not compelled to take someone who has come at the top of a competition if it shows cause why that person, should not be accepted. But I think that is a very rare occurrence; certainly I cannot remember any case since I came to the department. The simple answer to your question is, yes.

Mr. McCUSKER: Has the attention of the universities been drawn to the importance of training these men? Has any special attention been paid to giving them special training?

The WITNESS: We have recently made arrangements to develop our contacts to a greater extent with the universities. This is done through the department getting out material, and through efforts to interest not only the younger professors and others who are teaching subjects which are akin to international relations, but also the students themselves. The Civil Service Commission in co-operation with the personnel of the departments are really doing quite a bit of work along that line; as a matter of fact, they have almost day to day contact with the universities; and part of that work is to encourage the study of French, English and some foreign language. We are hopeful that the results will be what we desire, and we hope the situation will improve and result in more bright boys being directed into this field as a career, through the examination of the curriculum and its adjustment to the needs of the service; and that, of course, would be of tremendous advantage.

By Mr. Fraser:

Q. You said "bright boys". Do you take any women in?—A. That is a mistake that we often make I am afraid. The masculine includes the feminine in this case.

By Mr. Hansell:

Q. Before you leave the subject of personnel, this is the first year that some of us have been in the External Affairs committee.—A. I have great sympathy for you.

Q. I wonder if you would care to place the names of the top ranking officials of the department on the record, together with, perhaps, the names of the heads of the twelve divisions.—A. I would be very glad to do so. I think I can do

it from memory. I shall begin with myself. Then, the deputy Under Secretary is Mr. Escott Reid. The assistant Under Secretaries are Mr. Leon Mayrand and Mr. H. O. Moran. We have here Mr. Cadieux, who is head of the personnel division, and Mr. Hemsley who is head of the administrative division. Mr. T. W. L. MacDermot is head of the European division. Mr. H. F. Feaver is head of the commonwealth division. Mr. Arthur Menzies is head of the American and far eastern division. Mr. John Holmes is head of the United Nations division. Mr. R. A. MacKay is head of the Defence Liaison division. Mr. E. W. Plumptre is head of the economic division. Mr. W. H. Measures is head of the Protocol division. Mr. K. J. Burbridge is head of the Legal division. And Mr. L. G. Chance is head of the consular division. And that is in addition to the officers we have abroad.

Q. There would be quite a few.—A. Yes, there will be quite a few. I could put that list on the record, if you wish.

Q. It would save time.

The CHAIRMAN: Yes, it would save time.

The WITNESS: Could I say a word about the permanency of the people mentioned the other day? We in the department are anxious that permanent appointments should be made as quickly as possible up to the quota which the Treasury Board will set for our department. This process is going on from month to month. It will be observed in the estimates that the current year's estimates show under employees both at home and abroad a larger number than is shown for the previous fiscal year. It will also be observed that the amount asked for temporary assistance in both instances is reduced. That illustrates the process which is going on of the moving over from the temporary category to the permanent category. That in itself does not reflect an increase in over-all personnel, but an increase of the proportion of permanent employees, the proportion overall of the people who are permanently employed in the service.

I would like to say as well a few words about administration.

By Mr. Léger:

Q. Would you kindly give us the salary which is paid to a Grade I? —A. \$2,880, I think is the beginning salary for a probationary Grade I foreign service officer; and that salary runs up to—would you like me to read the scale?

The starting salary upon official appointment is \$2,880. Then, after six months of satisfactory service, that salary is raised to \$3,180. That is for F.S.O.-1.

If at the end of this probationary year the officer becomes permanent, that is the salary that he then gets, \$3,180.

Foreign service officer, Grade 2 begins at \$3,480. F.S.O.-3 begins at \$4,140. F.S.O.-4 begins at \$4,740. F.S.O.-5 begins at \$5,700. I am not giving the statutory increases but you will see that they fall between those figures.

Q. What is meant by "F.S.O."?—A. Foreign Service Officer. F.S.O.-6 begins at \$6,300. F.S.O.-7 begins at \$7,200. Now, in addition to these F.S.O. grades, we have information officers within various gradations, and consular officers. We also have some administrative officers. I can, if you wish, give you the whole of them; but they are related to these other salaries which are fixed by the Civil Service Commission and the Treasury Board.

By Mr. Richard:

Q. What is the policy followed for expenses abroad for these F.S.O. employees? I suppose there is an amount which is added to their salary for lodging expenses, for example?—A. That is correct. In addition to the salary for foreign service officers serving abroad there is an allowance made. First

of all, there is a general allowance from which he is expected to pay for the additional expenses to which he is put by serving away from his own home. And in a certain situation where the cost of living index is such that it appears to be necessary or advisable a rental allowance is also given. The rental allowance is judged according to the level of rentals obtaining in the class of accommodation that such an individual might be expected to have. On the other hand, he is given a percentage of that, which is meant to take up the difference between what he would have to pay at home and what he would have to pay abroad.

By Mr. Graydon:

Q. Does not the exchange situation enter into that?—A. Very materially.

By Mr. MacNaughton:

Q. What about the taxation rate?—A. The taxation applies on the salary only. There are a couple of other small allowances. One is an educational allowance for which the officer may qualify, for example, if he has one or two children of a certain age.

By Mr. Richard:

Q. In what form are these allowances paid?—A. They are paid directly to them with their salary cheques in Canadian dollars. They are paid here. Then, as to the point which Mr. Graydon mentioned, the adjustment for exchange; of course both the exchange and the question of cost of living index is reviewed regularly and adjustments are made in these allowances according to the figures which are given to us by the Dominion Bureau of Statistics.

By Mr. Hansell:

Q. You used the term "statutory increase".—A. The Civil Service Commission and the Treasury Board provide for all civil servants a scale of regular increases to which an employee is entitled, provided that his service over the preceding year or whatever the period is was satisfactory.

Q. These figures then are basic figures?—A. They are basic figures.

Q. I do not think they are any too large—some of them. I suppose we have to guard the public treasury, but I do not think in a department of this kind we should sacrifice efficiency and quality for a few dollars.—A. I would hesitate to express an opinion as to that, Mr. Chairman. During the debate in the House my minister made some reference to the administration in relation to the growth of the service. In 1939—this was the figure which I did recollect a while back—the department had eight offices abroad and a total staff of 174. This year we have forty-four offices abroad, situated in thirty-three different countries, with a total staff of 635 people outside the country.

Since 1946 the number of employees has approximately doubled. This expansion has naturally increased and complicated the personnel and other administrative problems of the department. No longer can a few people handle adequately the duties involved in the permanent employment of and attending to the needs of some 1,250 employees at home and abroad. Our considerable business and the administration of the substantial moneys for which the department is responsible require the constant attention of officers specially assigned to these tasks and the services of a considerable staff of qualified assistants.

Mr. Pearson mentioned in his speech in the House on Thursday night that we are giving special attention to this administration problem. We are seeking to spread the burden and to provide for the efficient management of the depart-

ment's affairs by establishing a number of related administrative sections. An example of that is a section we have set up which is called the properties and supplies section.

Over the last number of years the department had to take the responsibility for the management and administration of quite a number of properties both at home and abroad. Some of these properties are owned and some of them are leased. We have taken the title to premises occupied by the heads of diplomatic missions in Washington, London, Pretoria, Havana, and The Hague. We have leases on living and office accommodation in something over thirty other countries. The administration of these properties is considerable and it is probable that additional premises will have to be purchased over the next twelve months because in some countries it is more economical to own and to maintain rather than to lease, while in other countries it is almost impossible to find suitable accommodation in rented buildings.

When these various proposals are put to me, I sometimes think that each new country is worse off when it comes to living conditions and the fulfilment of space requirements. Mr. Pearson mentioned the case of Karachi the other day. Karachi is apparently one of the most crowded and most difficult places in which to find accommodation, and we may have difficulty in finding something appropriate there for our High Commissioner.

By Mr. Fraser:

Q. On October 27th there was a question ordered for return in my name regarding your department. I thought it would be down before this. It covers the places or embassies abroad. Would that be brought down within the next day or so?—A. I do not know. The assistant Under Secretary says that unless some confusion has arisen it should be down.

Q. If it is not to come down, then I would ask you these questions here.—A. Very well, give them here anyway. We will have your question looked up and when the committee next meets I hope to have a complete answer for you, or as complete an answer as we can make it.

Q. It covers some of the things you have mentioned.—A. Mr. Moran tells me possibly the reason why the return is not down is that in respect of one building certain alterations are being made and the final bills are not in. I take it that you would like to have the information as complete as we can get it.

Q. Yes.—A. We will get that for you. Another example of a section we have set up in the department to try and improve management and methods is a financial section. This will be headed by an officer of experience and special qualifications who will give his full time to the department financial regulations, to problems of pay and allowance, and to the efficient control of expenditures at home and abroad.

Both the personnel and administrative divisions of the department are responsible to one of the assistant under secretaries.

May I now draw attention to certain features of the estimates which are before the committee. We have prepared, and I think they might be circulated now, the kind of a breakdown which, at the last meeting, was referred to by Mr. Fleming and which you had last year. At the top of this statement, Mr. Chairman, there are certain notes on certain of the items which, on the face of them appear to require some explanation. The breakdown itself is in the following pages. The first column gives the amounts included in the printed estimates, including the supplementaries, for 1948-49. The next column gives the actual expenditures made in that fiscal year. The third column gives the main estimates

requested by the government for 1949-50, the current fiscal year; and the final column gives the supplementary estimates which parliament is asked to provide. The pages following this breakdown give subordinate breakdowns of our three main departmental votes namely 51, 52, and 53, which are headed departmental administration, passport office, and representation abroad.

I will say a few words about some of the more significant figures here. The committee will observe the government has requested a total of \$17,400,002 for 1949-50. That is made up of \$15,411,881 in the main estimates and \$1,988,121 by way of supplementaries.

I would like to make this point clear to the committee. Of the total in the main estimates, \$7,504,780 represents costs of administration of the department at home and abroad. I think it is important to distinguish between what is administrative cost of our home and branch offices and the other amount which is just somewhat larger, a total of \$7,907,101, representing the government's assessment for membership in various international organizations and commonwealth organizations, and also the contribution to the international refugee organization which is shown, of course, as a separate item. In addition to these amounts, \$87,000, as will be seen in the blue book of estimates is authorized by statute.

Now, may I draw attention to a couple of increases which are requested. Under departmental administration there are two or three points which I might perhaps comment on and thereby anticipate questions. The largest increase requested is that for salaries of permanent employees—\$133,980. That figure results from the process which I described a few minutes ago, namely the movement of temporaries into the permanent class. To a lesser extent it is explained by reclassification upward, and revision of salary scales which take place from time to time. There is also an increase in the main estimate of \$25,000 for postage. I think it was Mr. Fraser who mentioned this the other day.

Mr. FRASER: Yes, and I mentioned the \$100,000.

The WITNESS: Yes. There is a total of \$125,000 which is being requested in addition to the amount voted last year. The explanation is that this additional amount is principally to provide for the cost of courier service from London to other countries—a service which was previously provided to us free of cost by the United Kingdom. The courier service for diplomatic bags from London is of course a very active service because it is from London that our despatches spread out to western Europe generally. A further portion of the addition is explained by a projection of the probable cost of carrying diplomatic bags across the Pacific, and also by the increased amount of traffic that is anticipated to and from our missions, principally on the European continent.

By Mr. Fraser:

Q. When the despatch bag reaches London and it is desired that it go out to a European country, does London look after it? Does the United Kingdom look after that service?—A. We do use British couriers beyond London. I think it would be only fair to say to the committee at this point that we may anticipate in future years—not perhaps in the next fiscal year, although it would be possible—that we will have to take care of further charges which the British have been defraying on our behalf, not only for courier service but for consular service.

Q. Which we have not paid for in the past?—A. No. I do not know whether I am impinging on policy, but the government might wish to defray such expenses in the future.

Q. That is one reason why the figure for assistance has gone up. It is on account of certain consular services being taken away when a Canadian subject became a Canadian citizen instead of a British subject?—A. I do not know

whether that would have increased the consular expenses. Mr. Hemsley tells me it was one of the main reasons for increasing the expenditure in the United States.

Q. Yes, the expense would be increased in the United States?—A. You are quite right.

Q. Pardon me for asking all these questions but I intended to ask this the other day. When you mentioned Russia and the courier service, it would not, in that case, be a matter of despatch bags, but it would be an individual courier service?—A. It would be a Canadian diplomatic pouch carried by a British courier. It is picked up from Canada House by a foreign office courier and carried with the British bags to Moscow.

Q. And back from there?—A. The same thing would apply. I suppose the Canadian bag would go to the British embassy and be taken by a British courier to London. It would then go to the officials at Canada House and back to us.

Q. There is an individual in charge of it?—A. Yes.

Mr. PINARD: Is that the system generally?

The WITNESS: For European places, yes.

Mr. PINARD: What about South America; what is the policy there?

Mr. HEMSLEY: We use the British couriers for South America. It is a very slow process and we use it only for the confidential bags—classified material. Actually the despatches go to London and are picked up by the British courier and taken to South America. For ordinary administrative purposes where there is no security matter involved we use the ordinary air mail to save time.

Mr. PINARD: Do you use courier service for the United States?

Mr. HEMSLEY: We have our own courier system between Ottawa and Washington.

The WITNESS: That covers nearly all our business there.

Mr. PINARD: How about the far east?

The WITNESS: Far east material has been carried by the British but we are just now completing arrangements for our own trans Pacific service which will be undertaken via C.P.A.

Mr. GRAYDON: Do you ever lose any of those diplomatic pouches?

Mr. HEMSLEY: They get astray every now and then but I think the record is very good. We have lost one in a 'plane crash.

Mr. MACNAUGHTON: Have you ever lost them through theft?

The WITNESS: They get delayed curiously sometimes, but it has been my experience that eventually they turn up.

Under the item, sundries, there is an increase of \$42,000, and we are asking in the supplementaries under this heading for \$17,500. The former is to provide for the increased cost of newspapers for our missions abroad, and for the purchase of books for what we call a minimum basic library on Canadian subjects which is provided for each mission. Also the amount covers the purchase of certain cipher equipment and a number of miscellaneous items.

An additional amount of \$18,407 in the main estimates under passport office, and a further amount of \$16,750 in the supplementaries under the same heading, is for the most part made necessary by the increased cost of production of passports and stationery connected with passports—application forms and so forth.

Now I would like to draw attention to vote 54, representation abroad.

Mr. GRAYDON: Before you come to that—

Mr. FRASER: I was just going to ask, Mr. Chairman, if we can come back to these items later?

The CHAIRMAN: Yes and the work will be simpler by reason of Mr. Heeney's statement.

Mr. FRASER: Before you leave departmental administration may I ask the position with respect to the housing of the external affairs administration here in Ottawa? With the expansion of the department I take it that space is pretty cramped?

The WITNESS: You are referring to the east block, Mr. Graydon, and I would say yes. It is pretty tight. We did have a temporary relief, before I came into the department actually, when the Department of Finance moved from the east block. However, they must have occupied very little space because we are in difficulty again. I do not know how serious the difficulties will prove and I think most of them are being adjusted. I hope we will be able to carry on with the space we have in the east block and in the new Post Office. There is some warehousing space in an old building on Queen street. And the passport office on Bank street is one of our most difficult places.

Mr. FRASER: It is a real dump. There is no other word for it: I know it is not parliamentary but that describes it.

The WITNESS: Mr. Moran tells me that a decision has recently been made to move the passport office to Sparks Street in the Booth building.

Mr. RICHARD: Will it be more accessible?

The WITNESS: It is near the Bank of Montreal. It will be more accessible than Bank Street where it was before. However, I do not think that our space defects are perhaps as serious as some other departments.

The CHAIRMAN: You have office space in the new Post Office?

The WITNESS: Yes.

The CHAIRMAN: Could you not enlarge your space there?

The WITNESS: No I am told by the assistant under-secretary that we are in fact under notice to quit. That will be very serious if we have to leave there. Our Information division, our Consular division, our Legal division and the Personnel division are there.

Mr. LEGER: When the repairs are completed in the east block will you have enough room?

The WITNESS: I do not think the repairs will actually increase by a very large extent the amount of space available for offices. I think if we hold what we have and get the east block finished that we will be able to carry on all right.

May I draw attention to two or three items in the representation abroad Vote 53. The committee will notice that the amount asked in the main estimates is \$189,334 less than last year although in the supplementary estimates we have had to ask for an increase beyond the original estimate of \$131,044. I shall have a word to say that when commenting on the difference between expenditures and estimates under this heading in 1948 and 1949 which may have indeed struck members of the committee, but meantime I would like to point out that this item is extraordinarily difficult to estimate for. The other day in speaking to the committee on the opening of new offices abroad the minister spoke specifically of Karachi and mentioned the possibility of opening other offices as being desirable or necessary in the national interests. That is the reason we have difficulty in estimating anything very precise on this item of representation abroad. I will have a word to say about that in a moment or two.

Regarding the government assessment for membership in international organizations. It will be noticed there is an increase in Vote 61 which is assessment for membership in the United Nations. This additional amount is \$238,500 and results directly from the increased budget of the United Nations itself. Canada's contribution to the United Nations is based upon a 3.2 per cent proportion of the total budget.

Mr. GRAYDON: Is that following pretty largely the general proportion of contributions by the various nations to the U.N.O.?

The WITNESS: Yes, that is the figure which has been allocated to us as our appropriate proportion. It was previously a little larger. It was 3·35.

Mr. GRAYDON: Has any question ever been raised with the United Nations as to why Great Britain should have to pay 12½ per cent and Russia only 6 per cent?

The WITNESS: That question has certainly been raised. I am not familiar with the most recent discussions but there have been discussions in the administrative committee at Lake Success. As you know these percentages were arrived at after a good deal of discussion which has gone on all the way from San Francisco to this most recent meeting. I have a note here which Mr. Moran has just handed me setting out the principles which are applied in determining these percentages in the measurement of capacity to pay. Comparative estimates of national income are considered *prima facie* to be the guide, but other factors are to be taken into account including (a) comparative income per head of the population, (b) temporary dislocation of national economies arising out of the second world war, (c) the ability of members to secure foreign currency. That does not answer your question fully, but I will be glad to get you some more information on the most recent developments.

Mr. GRAYDON: What is Russia's recent percentage?

The WITNESS: Six.

Mr. GRAYDON: We pay more than half of what Russia pays and Russia pays half of what the United Kingdom pays?

The WITNESS: Yes.

The CHAIRMAN: Mr. Heeny, could you tell the committee if any nation belonging to the United Nations organization has ever defaulted on the payment of membership assessments.

The WITNESS: There certainly were the last time I saw a report on it. I do not know what the situation is today however.

Mr. HANSELL: Do they have any particular formula in arriving at the allocation?

The WITNESS: Yes. Quite a complicated formula as based on national income modified by these three additional factors which are brought to bear in some agreed manner.

Mr. FRASER: The United Kingdom contribution should be down because that formula takes into account the ability of obtaining foreign currency.

The WITNESS: Yes. Depending on the extent to which you apply that factor in the calculation.

Mr. MACINNIS: Was the Soviet percentage increased in 1949?

Mr. MORAN: I have no statistics for the recent assessment,— the formula is based on the ability of a country to supply post war data,—but we would have in the United Nations division the figures for other countries.

Mr. PINARD: Why are all contributions paid in United States dollars?

The WITNESS: The budget is reckoned in United States dollars, but there are expenditures made in other currencies.

Mr. HEMSLEY: There is an option for some assessments to be paid in Swiss francs.

Mr. FRASER: It all depends on the international bank, does it not?

The WITNESS: In what way?

Mr. FRASER: They deal only in American dollars there.

The WITNESS: It is the currency in which I suppose the bulk of the expenditures are required to be made.

Mr. MORAN: The question of readjustment of contributions from the various member nations came up at the last meeting of the committee and it was agreed that the 1949 assessments might fairly be continued into 1950. These were the main factors in support of that conclusion.

(a) A number of countries have still to devote a large share of their resources to the repair of war damage;

(b) Many states are experiencing even greater difficulties than last year in securing foreign exchange and in particular United States dollars and Swiss francs;

(c) For some countries the statistics available are somewhat inconclusive as to the extent of the real improvements which have taken place;

(d) There is uncertainty in the external trade and balance of payments position of many countries. Those are the main factors that led the committee to the conclusion that the 1949 assessment should be continued to 1950.

Mr. GRAYDON: Perhaps there were some considerations that made the Russian contribution at one stage 6 per cent as opposed to the British 12 per cent and ours 3·2 per cent. Having in mind the repercussions of a recent explosion there is perhaps some money being spent on something other than repairing war damage.

The WITNESS: I would like to find out for the committee how this matter was dealt with at the most recent meetings of the administrative committee of the United Nations, whether the question of reassessment was canvassed to any extent. I do not know at the moment.

Mr. GRAYDON: The money power appears to be in inverse ratio to the veto power.

Mr. McCUSKER: It seem their currency position has improved to some extent. Formerly it was twelve rubles to the dollar, now it is eight.

Mr. HARRIS: Of course the answer is clear: are rich in liberty but not in income.

Mr. GRAYDON: I suppose one explanation is as good as another to them.

Mr. MACINNIS: It is always so difficult to arrive at satisfactory explanations.

The WITNESS: I am very near the end of my long statement, Mr. Chairman. The Canadian contribution to the International Labour Office, as the committee will discern, has been increased by \$190,500. There is also a supplementary estimate for a further amount of \$18,900.

Mr. MACINNIS: How do you account that there was no contribution last year?

The WITNESS: There is a technical reason for that rather than a policy reason; it arose in connection with the timing of the payments. It does not mean that we ceased membership for one year. I have no doubt there may be other questions of our financial relationship to various United Nations organizations which will arise in discussions.

May I finally say something about the estimates requested for this current fiscal year in relation to the list of expenditures which appear as the second column in this breakdown and which is in the hands of members of the committee.

Members will notice that our expenditures in 1948-49 under Departmental Administration and Passport Office Administration, the first two departmental items, correspond fairly closely to estimates for that year. There is, however, a striking difference between the estimates of \$5,361,697 for representation abroad for the last fiscal year, and the actual expenditures which amounted to only \$4,289,703 for the same fiscal period. Almost \$1,072,000 of the amount voted was not, in fact, spent. This represents, of course, a marked over-estimate for 1948-49 under those headings and I would like to explain to the committee what I said a few minutes ago and give the reasons for it.

On some items the estimate for representation abroad is bound to be based on informed guesswork and not much beyond that. Take, for example, the position of the department at the present time. We are now engaged in preparing our estimates for the fiscal year beginning April 1, and ending March 1, 1951. We have to provide therein for operations in countries in many different parts of the world. During 1950-51 it may prove necessary or desirable in the national interest to open Canadian offices in countries where none now exist or it may prove necessary as it did a year or more ago in the United States to open other offices in countries where we have already diplomatic representation. The other day the minister mentioned the possibility of having to open certain new diplomatic missions in this coming year. Now, in such circumstances the estimating process cannot and should not be too precise. For such contingencies we allowed \$250,000 in 1948-49; only a proportion of this was spent or needed. For the current year we have proposed \$175,000 for this purpose, but the fact is that we may use only a fraction of this. The only new office which will be opened likely during this current fiscal year will be Karachi. We cannot, of course, be certain and we will, of course, be bound to try and provide for any other offices the government decides to open during that period.

Mr. FLEMING: Is the government not contemplating opening any office in Colombo, Ceylon?

The WITNESS: Well, Colombo I had in mind. Of course, I am not competent to say what the government will or will not do, but we have consistently opened offices in commonwealth countries. I would be surprised if we did not make some arrangement for representation in Ceylon as soon as that can be done; but what can be done and what may be done I cannot really say.

Mr. GREEN: How is our business with Ceylon carried on at the present time?

The WITNESS: Through the United Kingdom High Commissioner. We have also direct cable communication, of course. For example, the invitations which were referred to in the House by the minister—just the other day—were communicated directly from prime minister to prime minister by cable. We can cable in the same way in cyphers which are common to both Ceylon and Canada. But we have no representative in Ceylon who particularly represents us other than, as I said, the British High Commissioner. We have no national representative there whom we can call on to make personal representations to the Government of Ceylon.

Mr. FLEMING: But Pakistan is a firm decision?

The WITNESS: Yes, that is a firm decision. The minister made that statement the other day.

Mr. RICHARD: Would this be an appropriate time to try to find out how much money we have expended on the repair and maintenance of buildings, and the construction of new buildings in foreign countries.

Mr. FRASER: That is the subject matter of a question which I put on the order paper as an order for return under date of October 27 and which Mr. Heeney, I understand, is preparing.

The WITNESS: Yes, sir.

Mr. McCUSKER: I presume that in entertaining the proposition to open, or to reopen an office in Ceylon, we are taking into consideration the business we do with them, and the business that it might be possible for us to develop in that country, the things that we might buy from there.

The WITNESS: As far as I am able to answer that question I would think, certainly, commerce would be an important element. The requirements of

existing trade would certainly be a factor; but there is the even less tangible factor of the special relationship between commonwealth countries; and I fancy in that particular case that would be a fairly important one.

Mr. STICK: We already have a considerable trade with Ceylon, although I believe we have been without direct representation there for something like 15 years.

Mr. GRAYDON: When you are preparing your reply to Mr. Fraser's inquiry as to the cost of alterations in connection with foreign embassies would you include in that the cost of structural changes with respect to buildings in Ottawa which are occupied by the Department of External Affairs?

The WITNESS: I do not think the question was phrased in that way.

Mr. FRASER: No, this was only representation abroad.

The WITNESS: Of course, that would not be a departmental matter at all, that would be under the Public Works department, I mean so far as property in Canada is concerned.

Mr. FRASER: That is what I said before; I mean the Public Works department are looking after that and we cannot get that from your department.

The WITNESS: And that is true, of course, of all departments.

Mr. FRASER: Yes, that is true of all departments.

Mr. FLEMING: But the information which you will give will be information about capital expenditures in connection with representation abroad?

The WITNESS: We could arrange to do that. I think, actually, the information on capital expenditure is available in this breakdown here, under representation abroad.

Mr. GRAYDON: Mr. Heeney, the question was raised as to representation at Karachi and Colombo; can you give me any information as to whether or not Canada has joined those other six nations who were mentioned in the Commons yesterday in a move towards the recognition of the present Chinese communist government?

The WITNESS: Mr. Chairman, I do not know that I can answer that question.

The CHAIRMAN: Will Mr. Heeney kindly proceed with the presentation of his statement.

The WITNESS: The first observation, then, about this marked difference between expenditures and the estimate for the preceding fiscal year, is the difficulty of determining precisely what the requirements will be with respect to the opening of new offices.

The second point I have by way of explanation of that difference between expenditure and estimates is this: we must also make some provision for items of capital expenditures which may arise during any year over and above the foreseeable capital expenditures, estimated on the capital requirements for individual offices. We may also be forced by circumstances to purchase a property, or we may wish to take advantage of an offered bargain. Furnishings and equipment will have to be purchased for these buildings, and for any new offices. Such contingencies, and other unforeseen items for capital account which may be needed, go to make up the current estimates of \$225,000 for this year as against the \$530,400 for 1948-49, and spent only in part.

The third element in this explanation is the provision for estimating increases in costs in operation of missions abroad. We have to hazard a guess based upon the advice of the Bureau of Statistics as to what the level of costs will be in the various countries of the world in which we have offices and employees. Last November the estimate was that it would be wise to allow for a general 12 per cent increase in costs. This resulted in the addition of some \$150,000 to the operating costs of our missions and \$275,000 to take care of possible adjustments in scales of allowance. Here, again, the amount in whole

or in part may or may not be needed; and in the case of last year we estimated for more than 12 per cent and that proved to be more than we did in fact require to make up this difference.

It is in these miscellaneous items under "Representation Abroad" that a substantial, but we think justified, over-estimate is likely to occur, and did in fact occur last year. There is another item the purpose of which is to provide a sort of working capital fund. This also tends to bring out estimates above our actual expenditures. Bank balances held by our offices abroad at the year end are charged against old year funds. This carry-over figure for our present offices abroad amounts to about \$150,000. Similarly, all travel and other advances on behalf of this and other government departments are charged against the funds available in the old year, even though a fairly substantial portion of those advances may eventually be refunded. We must have funds available to finance this year-end business. Altogether, these working capital items on the present scale of operations amount to about one-quarter million dollars. Our estimates, therefore, for this reason are bound to be in excess of expenditures by an amount of this order.

These are some of the factors which go to make up these items in the department's estimates. This is the explanation of the disparity between the estimates for 1948-49 and our actual expenditures. Whether or not we shall have a similar experience this year or next depends upon decisions which may be taken with respect to new officers abroad and upon the other factors I have mentioned.

I apologize for having read so closely the last portion, but I was very anxious that there should be on record a precise explanation of what to me was the most striking element of the breakdown which has been prepared. Now, Mr. Chairman, that concludes what I have to say by way of a formal statement. I am afraid it has been a rather long one, but I thought what I had to say might be helpful to the committee.

The CHAIRMAN: You do not need to apologize for anything you have presented, Mr. Heeney. You have given us a very comprehensive outline of the activities and functions of your department and I am sure it will be of great assistance to us in considering the items of the estimates as we proceed with them.

The CHAIRMAN: Shall the item carry?

Mr. FLEMING: No, I have some questions I would like to ask.

The CHAIRMAN: You want to ask Mr. Heeney some questions?

Mr. FLEMING: Yes.

By Mr. Fleming:

Q. I do not know that I got your explanation as to these increases, Mr. Heeney; possibly you covered more ground than we expected you to. However, you said something about a 12 per cent increase. I gather there has been no change in the scale; or, has there been a change in the scale of salaries within the department in the past year?—A. In respect to salaries and allowances—and I will ask Mr. Hemsley of the department to correct me if I am wrong—what I had reference to there was representation abroad.

Q. If it is abroad then perhaps I can reserve it for the time being until we reach that item; that is, if it is not a matter directly relating to departmental administration here in Ottawa.—A. There has been no adjustment of salaries at home with respect to the cost of living index, as far as I recall, with the exception of the adjustment which was made in 1948.

Mr. HEMSLEY: The figures in the material you have before you there are based on the allowances paid last year. In the meantime the Bureau of Statistics

are working on the cost of living indexes for 1950. The actual figures for next year cannot be included in our estimates for this year. We therefore allow for possible increase in scales for next year.

The CHAIRMAN: Possibly the officers of the department would move up closer to the table here so that we will be able to hear them better.

The WITNESS: This does not refer to salaries of our staff here at home.

Mr. FLEMING: I do not know that I have any further questions on departmental administration. We can deal with the increase in the cost of representation abroad when we reach the appropriate item.

By Mr. Graydon:

Q. May I ask you this, Mr. Heeney: out of the total staff in your department can you tell us how many are permanent and how many are temporary?—
A. I haven't given those figures yet, but I have indicated an explanation of the policy of the department, which I said was to increase the permanent appointments as quickly as we could up to the quota which the Treasury Board fixes for the department; and I pointed out that the increase in the number of employees shown in the departmental vote for this current fiscal year was 122, as compared I think with 82 in the fiscal year preceding; and I think the figures indicate that we are moving forward now a great deal faster to the point of permanency for people who are qualified, and as the Treasury Board gives us permission so to do.

Q. The point which strikes me is that the process is very gradual. In other years I, for one, was impressed. But the progress of moving members of the staff from a temporary to a permanent basis now seems to be very slow. If in the past year only forty members of the staff have been moved to a permanent basis; that impresses me as being very slow. The period of big accession to the staff of the department in numbers which occurred after the war has pretty well run its course now, and the process of digesting that large accession of personnel should at this time, it seems to me, be pretty well advanced. That being the case, I am rather struck by the fact that only forty members of the staff have been moved in the past year from a temporary to a permanent basis.—A. I would expect that that number of forty has been added to very substantially since the estimates were prepared and printed.

Mr. CADIEUX: The number has increased by seventy-four this year.

Mr. FLEMING: It has jumped from forty to seventy-four since when?

Mr. CADIEUX: Last year there were ninety-eight. In the year 1948 ninety-eight permanents were affected in the department of External Affairs. This year, from January 1st to October 31, 1949, there have been seventy-four.

The WITNESS: What is the proportion to which we are entitled under the Treasury Board regulations?

Mr. HEMSLEY: It probably will be eighty per cent. It has not been fixed, but it will probably be eighty per cent of the department.

By Mr. Fleming:

Q. So there would appear to be plenty of room yet within the quota which the department is allowed for a very substantial movement of members of the staff from a temporary to a permanent basis.

Mr. CADIEUX: At the moment we have 356 employees who are permanent and 621 who are not.

The WITNESS: That excludes those locally employed personnel?

Mr. CADIEUX: Yes. But a person must be in the service more than one year before he can be made permanent.

By Mr. Fleming:

Q. Just making due allowance for the fact that large numbers of new personnel came into the department since the war, I still think that the impressive factor in the figure just given is the low proportion of those who are on a permanent basis. And I, for one, want to see great care taken in making sure that staff members are qualified to go on a permanent footing; and I for one would like to hope that it would be possible for the department to move at a much more rapid pace in transferring members of the staff to the permanent from the temporary basis wherever they are qualified.—A. I think Mr. Moran has some observations to make.

Mr. MORAN: The procedure by which this matter is dealt with in the department is that all employees are entered on a "cardex" system for the purpose of permanency. There are other card index system for other purposes; but there is one card index system which is devoted solely to permanencies. These people fall into five separate categories. The card is brought forward on a time basis as they qualify for permanency, but there are other factors. One of them is that of veterans preference. People who are qualified in all other respects for permanency under existing civil service regulations cannot be made permanent if they have not the veterans' overseas preference. That fact has affected some percentage of our people. A certain percentage of them is affected as Mr. Cadieux points out, because they have not been in the department for a year. This would apply to all employees recruited during the past 12 months. There is a very small number who are qualified in a time basis but some consideration is being given to whether the department may properly recommend permanency. My personal view, and I point out I have only had a short period of responsibility for this problem is that the department has made reasonably good progress within the limitations which I have just explained. I can assure Mr. Fleming and the members of the committee it is a matter in which the department has a very great concern, and to which it is giving very close attention.

Mr. HEENEY: There is one feature I would like to comment upon and that is: we should try to move as quickly as possible to the position where our own Canadian employees abroad are made permanent in order to give them the kind of security which it seems to me is important for people who have cut many of their personal connections in leaving home for foreign service.

By Mr. Pinard:

Q. Can you state the number of employees who are abroad who are not permanent?

Mr. MACINNIS: According to page 125 the number is 147 permanent; but the number of temporaries is not given.

The WITNESS: That would be something under 100—the number of non-permanents.

Mr. CADIEUX: There will of course be some reductions in that figure of 170.

Mr. FRASER: The figure of 621 was given as the permanent. I did not get a figure for the temporaries.

Mr. MORAN: The permanents are 356, the temporaries are 621; and the difference between that and the total figure of 1,248 Mr. Heeney quoted earlier represents people locally engaged, that is, nationals of the different countries in which the posts are situated, and who, of course, do not qualify for permanency in the Canadian civil service.

By Mr. McCusker:

Q. For the purpose of seniority and pension, does a man's appointment date from the date when his appointment was made permanent or does it date from the time of his appointment?—A. It dates back to his first appointment; and he can qualify for pension as from that first date of joining the service provided that he pays his back contributions on a graduated scale over an optional number of years.

The CHAIRMAN: Does item 51 carry?

Carried.

Does item 52, passport office administration, carry?

By Mr. Fraser:

Q. What was the income of this department? I believe it was about the only branch you have which has an income.—A. I am afraid so. It was approximately \$300,000.

Q. That is a little more than last year, is it not?—A. Yes, larger than last year.

By Mr. Graydon:

Q. Could you explain the technical reason why when people make application for a passport to all countries, you sometimes ask them to clarify their request in a letter which comes back?—A. Who will answer that one?

Mr. MORAN: Mr. Chance would be the best person to answer that question but he is not here. However, my understanding is that there are regulations in some of the countries which a person might want to visit about which he should be informed. If he were given a passport, he might feel that he could travel freely in those countries only to experience later some difficulty in obtaining a visa. Such a person might complain later that a passport was issued to him, and that it meant in effect that he could travel in that country. There have been occasions when it has been useful for the department to be able to register a caveat with the traveller about certain conditions or regulations that would be met. And sometimes it saves the individual trouble and inconvenience if that caveat is sounded. But it would only be possible if the department knew the countries in which the individual was planning to travel. There may be other reasons for it, but that is one.

Q. My experience has been that the department does, eventually, issue the passport to all countries. But sometimes when the first application comes in, they refer it back to the applicant in order to make sure that it is his exact intention.

Mr. MORAN: Yes. And I think that the reason is that it may be possible for the department to say to him: Among the countries which you propose to visit is one in which there are travel restrictions or exchange regulations with which you should be familiar.

By Mr. Graydon:

Q. Are there many countries now in which visa difficulties are most prominent?

Mr. MORAN: Probably in—

The WITNESS: I would say not as many as there were a year or two ago.

Mr. MORAN: It is not always a question of inconvenience. Sometimes it is a matter of convenience or privileges. For example a bilateral arrangement may have been entered into with a country and as a result a visa is not required.

That would save him the trouble of going to Montreal or having somebody on his behalf attempt to obtain a visa when one is not required. I refer to such countries as Belgium, The Netherlands, and France, etc.

By Mr. Graydon:

Q. Is there any reason why, when applying for a passport one should not ask for a passport to all countries?—A. I do not suppose there is any reason. I just do not know. But the reason Mr. Moran has given was that of possible inconvenience to the applicant as the result of local regulations in the country to which the traveller proposes to go.

By Mr. Stick:

Q. Would it not be advisable for this country to know to which country or countries a person was going?—A. There might be an argument against that which suggests itself to me.

By Mr. Macnaughton:

Q. The restrictions came into force about the beginning of the war and have more or less continued. But I got a passport last summer which read for all countries.—A. A few years before it was restricted.

Q. In China when we had trouble with the communist government we had to safeguard our people. We wanted to know how many people were in China in order to be able to get them out.—A. I think that Mr. Moran is calling the head of the consular division in order to get some enlightenment. I am not fully informed.

Mr. GRAYDON: They will issue a passport to all countries if you ask for it.

Mr. STICK: I think they should keep a check on where you are going in case of trouble.

By Mr. Fleming:

Q. Mr. Graydon's point is one I would like to have clarified. Are there any countries anywhere today for which our Canadian passport office will not issue to a Canadian a passport endorsed for travel to those countries?

Mr. MACNAUGHTON: Germany and the Iron Curtain countries, I would think.

The WITNESS: Are there any countries to which the possession of a valid Canadian passport would not admit a valid traveller?

By Mr. Fleming:

Q. No, it is not quite that. Are there any restrictions or limitations imposed in the passport office itself here on the list of countries that will on request be enumerated on the passport?—A. As the committee has already seen, I am not an expert in these matters. But I will be glad to find out for you.

Q. The stock question which we have had each year on this item is how close is the office up to the incoming work?—A. I think perhaps a little too close; I am not sure. My worry now is quite the reverse of what it would have been had I been deputy minister a couple of years ago. The office is so up to date that it can issue a passport in twenty-four hours and I am a little afraid that is almost too fast for accurate work. That may be an undue concern but certainly they can issue passports rapidly now and they have a very efficient assembly line system.

The CHAIRMAN: Shall the item carry?

Mr. FRASER: No, Mr. Chairman. I have before me Privy Council Order No. 839 regarding official passports. Members of parliament in the past have

had the privilege of getting an official passport but now members of parliament and senators are really denied this privilege. If passports are given they are taken away as soon as a member has returned from his trip. My question is why should not members of parliament and senators receive official passports?

The CHAIRMAN: Mr. Fraser, on a question of that kind all we can do is to make a recommendation from the committee to the government.

Mr. FRASER: Well, Mr. Chairman, we had the privilege before, but according to this order in council it has been taken away from us. There are many persons listed in the order that do receive them, such as the Chief Justice of the Supreme Court who can get one for five years. It also says the wives and minor married children of all the above persons can obtain official passports, but members of the Senate and of the House of Commons cannot do so.

Mr. MACINNIS: Would not an official passport be a passport where the government would have some control over the activities of the person getting the passport? If that is so, I am sure that the member from Peterborough would not agree to the government having any control over his actions.

Mr. FRASER: This order in council says that the minister has the final say and I think, as far as members of parliament and the Senate are concerned, the minister should have the final say.

Mr. McCUSKER: If the passport was granted for five years a member might not last that long.

Mr. FRASER: That is not the point.

The CHAIRMAN: Mr. Fraser, would you give the whole list of people who can obtain permanent passports?

Mr. FRASER: Diplomatic passports?

The CHAIRMAN: No, official passports.

Mr. FRASER: The list is:

- (a) The Governor General (if a Canadian citizen) and Lieutenant Governors; passports to be valid for five years;
- (b) Members of the Federal Cabinet; passports to be valid for five years;
- (c) The Chief Justice of the Supreme Court of Canada; passport to be valid for five years;
- (d) Ambassadors, Ministers, High Commissioners and Officers of diplomatic rank serving Canada abroad, including Attaches, Trade Commissioners and Consular Officers; passports to be valid for five years;
- (e) Canadian officers and representatives on international bodies and other Canadian citizens holding diplomatic or similar status in international organizations recognized by Canada; passports to be valid for the duration of the holder's mission, but not to exceed five years;
- (f) Other officials of the Canadian Government proceeding abroad on a mission of diplomatic character; passports to be valid for the duration of the holder's mission, but not to exceed one year;
- (g) Wives and minor unmarried children of the above persons traveling with the husband or father or proceeding to join him at a post abroad; passports to be valid for the same period of time as the passport of the head of family;
- (h) Canadian diplomatic couriers; passports to be valid for the duration of the holder's mission, but not to exceed one year.

The new official passports shall be issued at the discretion of the Secretary of State for External Affairs, and in accordance with the attached regulations, to

persons within the following categories; with the provision that the passport shall expire automatically and be surrendered by the holder upon the termination of his or her official status.

- (1) Permanent Canadian Government officials of non-diplomatic status proceeding on an official mission or to a post abroad; passports to be valid for the duration of the holder's mission, but not to exceed five years;
- (2) Canadian citizens employed in a non-diplomatic capacity by international bodies or organizations recognized by Canada; passports to be valid for the duration of the holder's mission, but not to exceed five years;
- (3) Wives and minor unmarried children of the above mentioned classes (1) and (2), travelling with the head of family at Government's expense;

—members of parliament and senators do not do that—

“passports to be valid for the same period as the passport of the head of family;

- (4) Justices of the Supreme Court of Canada (except the Chief Justice of Canada) and of the Exchequer Court of Canada, Members of the Senate and House of Commons, when travelling abroad on an official mission of a non-diplomatic character; passports to be issued for the duration of the holder's mission, but not to exceed one year;

In all cases the Secretary of State for External Affairs shall have discretion to decide the period of validity for which a diplomatic or an official passport should be issued and to give a ruling as to whether a particular official mission is to be considered of ‘diplomatic’ character.”

Mr. HARRIS: Do you object to retaining the passport for a year?

Mr. FRASER: You are not allowed to.

Mr. HARRIS: Yes you are.

Mr. FRASER: If you are on a non-diplomatic mission they will not issue it.

Mr. HARRIS: They will.

Mr. FRASER: No they will not.

The WITNESS: I was just going to say that the department is bound by the order in council. I am sure that Mr. Fraser understands that. I think that in relation to members of both houses some consideration has been given and a change may be made in the regulations although, of course, I am not competent to say so.

Mr. FLEMING: That was discussed last year.

The CHAIRMAN: There might be some public reaction against us “commoners”. We are elected for a specified number of years and then we must face our electors again. The situation is not the same with respect to the senators who are elected for life.

Mr. FRASER: I am getting at the fact that members of parliament had the privilege of obtaining official passports before this order in council came into being. The privilege was given to us some years ago by the Secretary of State, I believe. This order in council has taken the privilege away.

The CHAIRMAN: We might include an observation on the matter among our recommendations.

Mr. HARRIS: I want to get perfectly clear what rights Mr. Fraser says that a member had previously that he now has not got?

Mr. FRASER: He used to be able to have an official passport for one year.

Mr. HARRIS: You are speaking of "official" and not "diplomatic".

Mr. FRASER: I am speaking of "official".

Mr. HARRIS: You can have an official passport.

Mr. FRASER: A member used to have it for one year.

Mr. HARRIS: And he has not got it now?

Mr. FRASER: He has not got that privilege now.

Mr. RICHARD: Mr. Heeney, you spoke of the passport office in Ottawa. I understand that a building on Bank Street is to be used as the passport office?

The WITNESS: Mr. Moran informs me that he has been told by Public Works that arrangements have been made for that move by the passport office.

Mr. MORAN: Yes, Mr. Richard may have more recent information than I have on accommodation and locations but it is the Booth building next door to the Bank of Montreal that has been allocated to External Affairs for use as a passport office.

Mr. RICHARD: The latest information I have is that a store is being vacated and they are going to use it as a passport office.

The WITNESS: Mr. Moran has obtained an answer to the question of the issue of passports, and I have an answer to the question of whether we refuse passports to any countries or whether we grant them to all countries. We do not refuse them to any country for which an applicant wishes a passport issued.

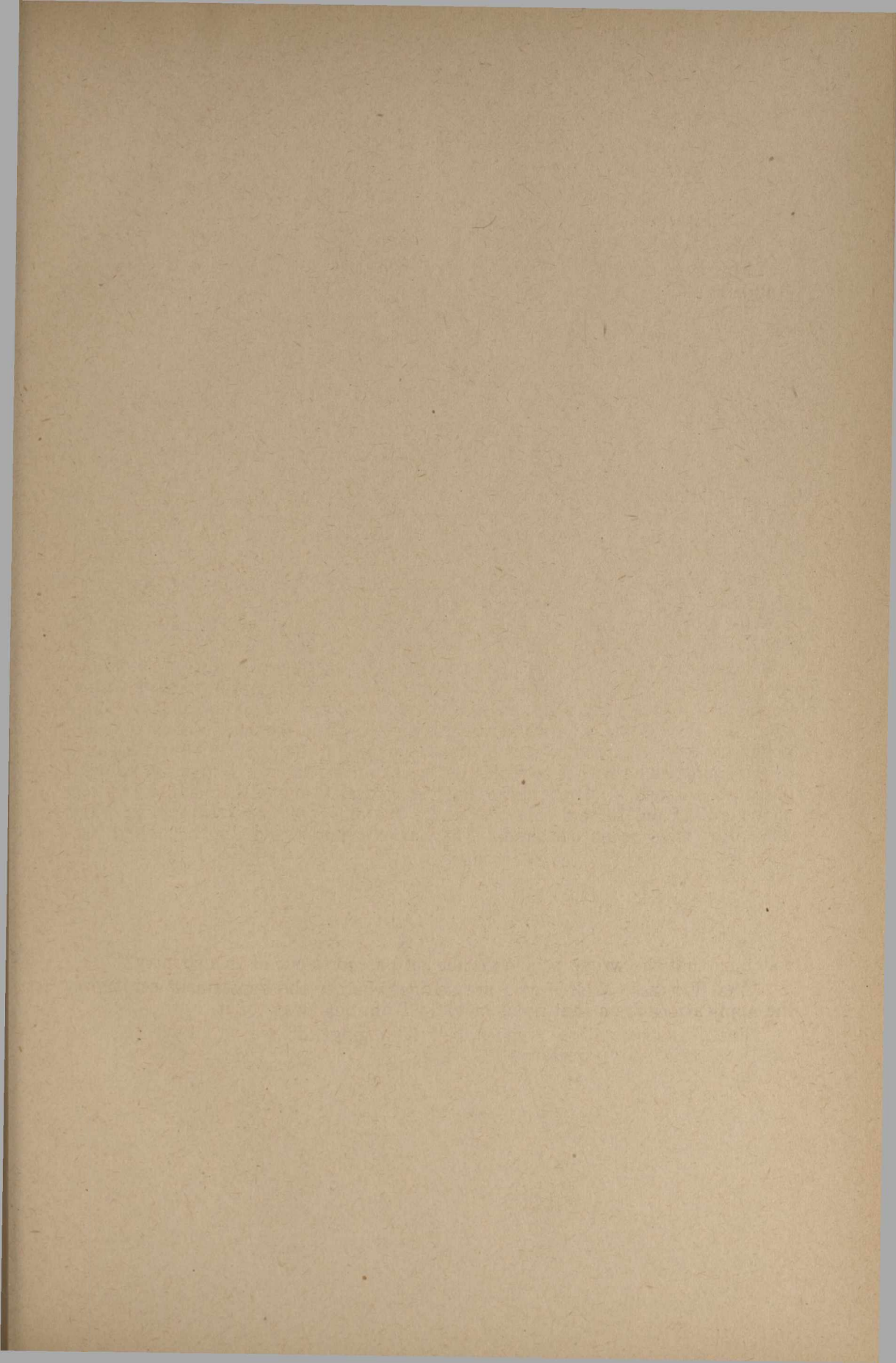
Mr. MORAN: Just to complete the record so there will not be any unanswered questions. I have consulted with the head of the passport office. There are two reasons for writing to an applicant and asking the countries to which he is travelling, and I have given you those reasons. The action is based on past experience. Canadian travellers have met difficulties abroad and later felt that it was an obligation of the Department of External Affairs to have warned them. They have written to the department and have not accepted the explanation that it was not known they were visiting that particular country. The policy has been adopted of writing back and asking the applicant for the names of the countries he wishes to visit. If the applicant refuses to give the names a passport is issued to all countries, but the refusal to name the countries is kept on record. I am further told that there are only two countries left in which difficulties may be encountered. They are Germany and Japan. There was quite a number of such countries until recently but Germany and Japan are the only ones left on the list.

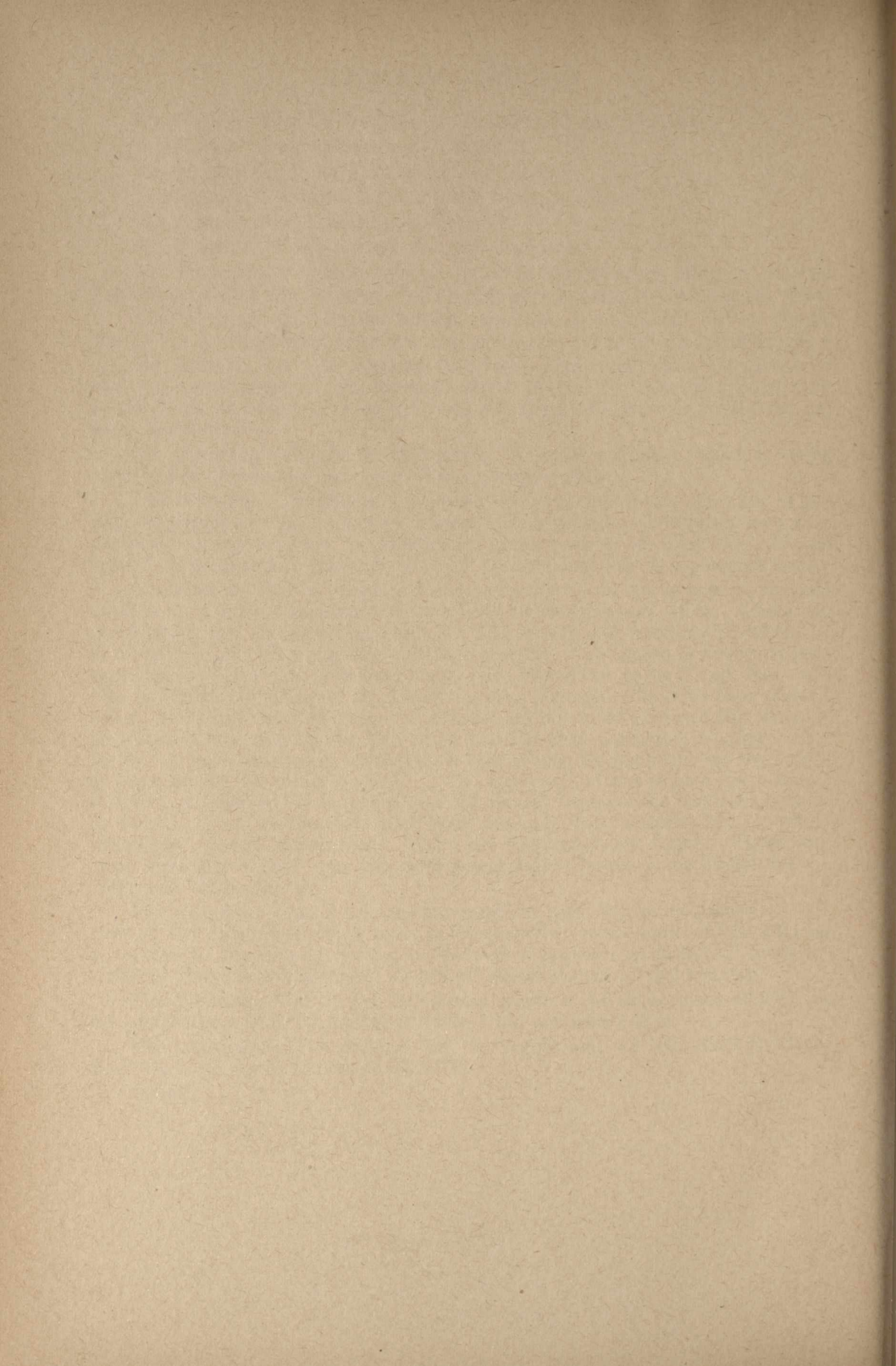
Mr. GRAYDON: May I ask another question with respect to passports? In view of the difficulties which seem to be prevalent when some of our citizens go across to the United States, is there any special consideration given to watching that the wrong people do not get passports out of this country?

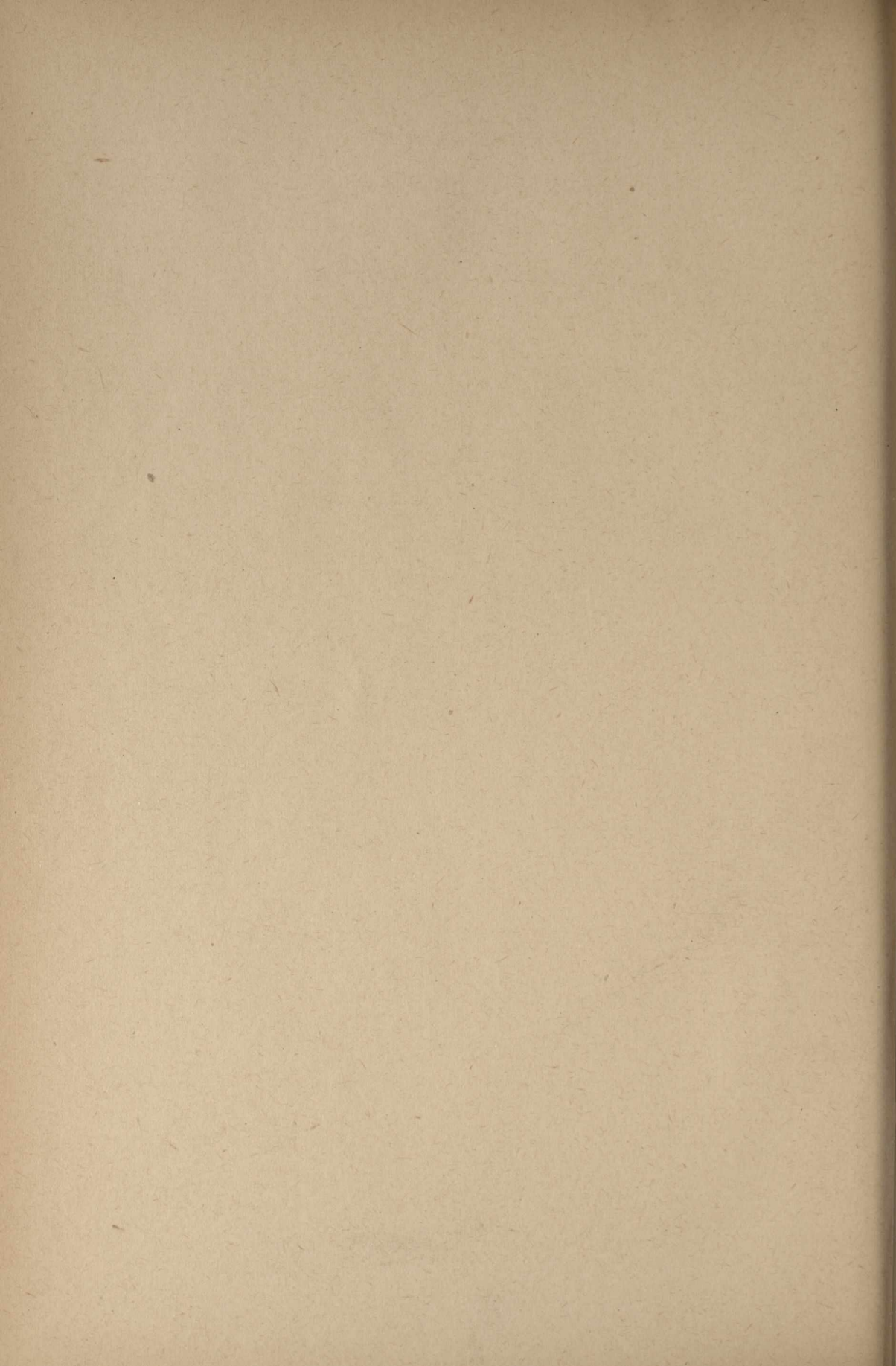
The WITNESS: Well if you are asking whether the department scrutinizes the applications from that point of view, I am not aware of it.

The CHAIRMAN: The division bell is ringing and we will have to close. Shall we meet again tomorrow at 3.30?

Agreed.







SECOND SESSION
HOUSE OF COMMONS

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

WEDNESDAY, NOVEMBER 23, 1949

WITNESS:

Mr. A. D. P. Heeney, 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
1949

STANDARD COMMITTEE

EXTERNAL AFFAIRS

REPORT OF PROCEEDINGS AND EVIDENCE

IN THE MATTER OF THE

WITNESS

AND THE MATTER OF THE

IN THE MATTER OF THE

MINUTES OF PROCEEDINGS

WEDNESDAY, November 23, 1949.

The Standing Committee on External Affairs met at 3.30 o'clock.

Mr. Joseph A. Bradette, the Chairman, presided.

Members present: Messrs. Balcer, Bater, Benidickson, Bradette, Breithaupt, Coldwell, Croll, Dickey, Fleming, Fournier (*Maisonneuve-Rosemont*), Fraser, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Graydon, Green, Hansell, Harris (*Grey-Bruce*), Laing, Leger, MacInnis, Macnaughton, McCusker, Picard, Pinard, Richard (*Ottawa East*), Robinson, Stick, Winkler,—28.

In attendance: Messrs. H. O. Moran, S. D. Hemsley, Marcel Cadieux and M. H. Coleman.

Before the opening of the meeting, Mr. Hume H. Wrong, Canadian Ambassador to Washington paid an unofficial visit and renewed his acquaintance with the chairman and the members of the committee then present.

The Committee continued its consideration of the estimates referred.

The Chairman called Vote 52—Passport administration.

Mr. A. D. P. Heeney was recalled. He supplied replies, in the form of notes, to questions asked at the previous meeting, namely,—

1. The scale of assessments and contributions to the United Nations by member contributors.
2. The contributions to United Nations by certain eastern European countries.

The witness again answered questions on the issuance of passports. He was assisted by Messrs. Moran and Hemsley.

At 3.55, the immediate attendance of the members being requested in the House, the proceedings were suspended.

The Committee resumed at 4.15 on Vote 52 which was carried.

The Chairman called Vote 53—Representation abroad.

The witness supplied answers to Mr. Fraser's questions on capital expenditures on properties abroad and relevant matters.

Mr. Graydon examined Mr. Heeney on the status of newspaper correspondents.

Mr. Fleming questioned the witness on staff posted abroad, on rates of exchange in France and accommodation abroad. He reiterated a suggestion he made in the House that Mr. Heeney make a personal visit on Canada's European accommodations.

Vote 53 and 54 were carried.

Vote 55 was also carried.

The Chairman called Vote 56.

Mr. Heeney quoted a report of Mr. T. C. Davis, Canadian Ambassador to China, to the effect that all Canadian citizens in fighting areas were safe and well.

After discussion, Mr. Dickey moved that the matter of having the Canadian Ambassador to China, Mr. T. C. Davis, now in Canada, appear before the Committee be referred to the subcommittee on agenda with instructions to report their recommendation to the Committee.

After further discussion, Mr. Dickey was allowed to withdraw his motion.

Vote 56 was carried.

At 5.45 the Committee adjourned until Thursday, November 24 at 3.30 o'clock.

ANTONIO PLOUFFE,
Clerk of the Committee.

EVIDENCE

November 23, 1949.

The CHAIRMAN: Gentlemen, we will now call the meeting to order. I want to thank you for coming, because, with some interesting debates going on in the House at the present time, it is difficult to get the members to attend a committee.

A. D. P. Heeney, Under-Secretary of State for External Affairs, recalled:

The CHAIRMAN: We are now on Vote 52, and Mr. Heeney is prepared to answer some of the questions which were put to him yesterday. I must ask the members of the committee and the officials to speak not too slowly but fairly slowly and as loud as they possibly can. Will you kindly proceed now, Mr. Heeney.

The WITNESS: Thank you, Mr. Chairman. Yesterday Mr. Graydon, and I think other members of the committee, expressed interest in the contributions of various nations to the United Nations, particularly to the United Nations itself and to the specialized agencies of the United Nations. I have a short note here which I propose to read into the records, if it is agreeable.

The CHAIRMAN: Is it agreeable?

Agreed.

The WITNESS: And further, I would like to give a list of the percentages of the member contributors. It might also be of interest to have those percentages in the record.

Mr. GRAYDON: The list will be up to date, I suppose?

The WITNESS:

The primary responsibility for making recommendations to the General Assembly for the assessment of contributions of member states of the United Nations rests in the Committee on Contributions, a fourteen man body elected for staggered three-year terms of office by the General Assembly. Under its terms of reference the Committee is required to apportion expenses 'broadly according to capacity to pay' and in the measurement of 'capacity to pay' the comparative estimates of the national income are considered *prima facie* to be the fairest guide. However, other factors are taken into account, including comparative income per head of the population, temporary dislocation of national economies arising out of the Second World War, and the ability of members to secure foreign currency.

In the first scale recommended in 1947 the Committee on Contributions pointed out the extreme difficulties arising in obtaining reliable current statistics and evolved, therefore, a formula based on the best available pre-war statistics adjusted to take into consideration war-time dislocation and the other factors mentioned in its terms of reference. In this scale the United States would have been assessed 49·89 per cent while Canada would have paid 3·10 per cent. However, the Fifth Committee of the General Assembly decided that, as a matter of sound policy—

The fifth committee is the administrative committee.

—'in normal times' no one government should be required to contribute more than one-third of the total budget and that, under existing circumstances, the United States' contribution should be set at 39·89 per cent.

The scale fixed for the United States at 39·89 per cent was, in effect, a ceiling on the assessment of the rate of payments. I have with me a table showing the "scale of assessments for the apportionment of the expenses of the United Nations". This table shows the ten highest contributors, and it reads as follows:

"United States of America 39·79 per cent"

This table is actually adjusted since part of the time I have read.

United Kingdom of Great Britain and Northern Ireland	11·37 per cent
Union of Soviet Socialist Republics	6·34 per cent
France	6·00 per cent
China	6·00 per cent
India	3·25 per cent
Canada	3·20 per cent
Sweden	1·98 per cent
Australia	1·97 per cent
Argentina	1·85 per cent

By Mr. Graydon:

Q. That looks as if poor old China has to pay as much, practically, as the Soviet Union.—A. China pays six per cent as compared to the Soviet Union with 6·34 per cent.

Q. It would appear to be a nominal set-up, as far as the ability of the nations to pay or as far as their own estimation of their own importance is concerned.—A. Yes. It is evident, in any event, that the Nations would not accept those percentages as representing their own estimation of their own importance.

This figure was accepted by the United States on condition that the scale would be revalued, in succeeding years, on the basis of new evidence which would become available. Accordingly, 39·89 per cent became, in effect, the first "ceiling" on the scale of assessments. The Canadian contribution under this scale was set at 3·35 per cent.

Since that time the scale of assessments has been reconsidered annually both in the Committee on Contributions and in the General Assembly. Each year, despite the fact that the Assembly has called upon member states to assist the committee in its work by the provision of adequate and reliable statistics, the committee has been seriously handicapped by the lack of such information. Accordingly, apart from minor changes to provide for the admission of new members, there has been no significant modification of the original scale of assessment. In 1948, however, Canada secured recognition of the principle that the per capita contribution of any member shall not exceed the per capita rate of the member making the largest contribution.

A table showing the scale of assessments for the 1950 budget is appended to this memorandum. The ten highest contributors have been indicated in red. It might be noted that the committee has recommended that the 1950 scale should be the same as that for 1949 with minor modifications affecting the contributions of Sweden and the United States. The Canadian assessment remains at 3·2 per cent, at which figure it was set in 1948 after the admission of several new members.

Thus it will be seen that from the first Canada has been one of the major contributors to the United Nations budget. This has been due not only to the fact that the basis on which the Committee on Contributions determines "capacity to pay" automatically places Canada high (seventh) among the member states, but also because Canadian statistical and other information provides an immediate and reliable reflection of changes in the

Canadian economic situation. Therefore, in contrast with certain other member states whose true "capacity to pay" is not apparent, the Committee on Contributions is always in a position to recommend adjustments in Canada's percentage contribution.

In order to safeguard the Canadian government against unwarranted increases in the Canadian contribution, the Canadian delegation has generally supported the United States ceiling proposals and has expressed extreme disappointment with member states who have not yet provided information which would have permitted the Committee on Contributions to make definitive recommendations for revision of the scales. In the Canadian view it was time to recognize the vast improvement in the economic position of many governments such as the countries of eastern Europe, which had been given special consideration when the original scales were established, and certain Latin American states which seem considerably under-assessed at the present.

The Canadian position might therefore be summarized as follows: the Canadian government is convinced that it is now paying more than its reasonable and equitable share of the total United Nations budget. Therefore, Canada is not prepared to have this share increased whether this results from adjustments in the contributions of other member states or from adjustments of the ceiling. Nevertheless, Canada does wish to see an equitable and sound scale arrived at as soon as possible. For that reason, if any proposals directed toward achieving equity were to be introduced, the Canadian delegation would support them, provided always that the new scale did not require Canada to assume a disproportionate share of the burden.

I also have a note with me, Mr. Chairman, which provides a little further expansion of this matter which was discussed yesterday; I mean the contribution of certain eastern European countries. It is just a short paragraph and I would like to complete the statement by reading it.

We have recognized for several years that the contributions from eastern European countries to the United Nations are not adequate. We accepted the fact that special allowance should be made for these war-devastated countries in the original assessments.

It is of course true that the U.S.S.R. and the other countries whose assessments now may be thought to be below what they should be all fall within the war-devastated class and category.

Mr. GRAYDON: And so does Britain.

The WITNESS:

In our view, however, allowance should now be made for the results of reconstruction. Like the United States and other countries, we have been particularly annoyed that the communist leaders should continually boast of the much greater economic progress being made in their countries than in capitalist countries without having to pay for this progress in the United Nations. The major difficulty is, of course, that none of these countries produces adequate statistics and it is most unlikely, for security reasons, that they will do so in future. Our delegations to the last two U.N. Assemblies have taken the opportunity, however, to point out this anomalous situation.

In fact Mr. Jutras, who was the principal representative of Canada on this committee at this last assembly did make a statement along those lines in the committee.

Mr. GRAYDON: I think there ought to be, if I may say so a reasonably high percentage assessed against the Soviet Union, then let the Soviet Union

prove that they cannot pay it because you will never be able to prove that they can. I think it would be a good thing to put the onus the other way. They cannot blow hot and cold in this business. They attempt to monopolize a very important position in the United Nations and they are not paying their way. They cannot have it both ways; and I think the Canadian delegation might very well give some consideration to that because the Soviet Union, from what little information we can get, is not spending all their money entirely on repairing devastated areas. There is some money going into other places too which I think ought to be taken into consideration.

Mr. FLEMING: And from what information we have it seems that they are responsible for devastating in recent times too.

Mr. FRASER: The population of Russia would have a lot to do with the rate they have here, and that is why Russia's assessment is as low as this.

The WITNESS: That would be one factor that would reduce the assessment, based on national income. They would work on a per capita income basis which would tend to reduce their assessment, and taking into account the devastation factors we cannot meet them because we have not the information in any precise form; but I am sure what Mr. Graydon has said will find sympathetic ears among the Canadian delegation.

Mr. GRAYDON: I do not see why our taxpayers should have to pay some of the tax burden that the Russian taxpayers should pay.

By Mr. Green:

Q. Are these figures based on the total amount paid to all the United Nations organizations? For example, we pay over \$200,000 to the International Labour Organization.—A. I was speaking solely of the United Nations itself, the parent organization, not of the specialized agencies. I think I am right in saying a figure of 3·2 per cent is the one used as the basis for most of the specialized agencies.

Q. Do we have the same rate in all the specialized agencies? For example, the Food and Agricultural Organization, and the International Civil Aviation Organization?—A. Mr. Chairman, I understand that the precise answer is, no. The same percentage is not applicable throughout, although that is the guide modified by factors such as the special interests which certain countries may have in the agencies.

By Mr. Fleming:

Q. There is another factor too, is there not, that some of the members of the United Nations are not members of the specialized agencies and consequently there is no assessment against them.—A. The Soviet Union, for example.

The CHAIRMAN: Are there any further questions about what was outlined by Mr. Heeny yesterday?

By Mr. Harris:

Q. Did Mr. Jutras in his address make an unfavourable comparison between the Soviet Union and our own contribution, or was he simply arguing against the extent of our own contribution?

Mr. MORAN: No, it was not directed solely to the Canadian contribution.

Mr. HARRIS: I think this committee would agree entirely with what he said.

The CHAIRMAN: We are now on Item 52. Shall Item 52 carry?

The WITNESS: I have an answer to a question that Mr. Graydon asked just as the committee was adjourning yesterday. Mr. Graydon, if I recollect correctly, asked whether the passport office in considering applications for passports took into consideration—

Mr. GRAYDON: I may not have phrased my question very well but perhaps I can clarify it now. What I was anxious to know was what precautions the department takes to make sure that passports do not get into the hands of persons whom I think I termed yesterday as the wrong people; and when I mentioned the wrong people I meant people who might be considered somewhat dangerous to our nation and to whom, perhaps, we would not want to give passports to go to some other places.

The WITNESS: My understanding of the position is that the passport officers who have before them applications do not consider it as part of their functions to scrutinize other than the identity of the applicant and accuracy of the statements made in the application. They do not regard their functions as including anything in relation to security, for example.

By Mr. Graydon:

Q. Is there any liaison between the authorities of the department of government that deals with the question of security and the passport office at all? For instance, supposing a well known communist in Canada decides that he wants to go to the United Kingdom, does he get his passport just simply because the magistrate or the clergyman says he should have the passport?—A. I think the deposition, if I recollect correctly, of the magistrate or clergyman is simply as to the identity of the applicant. I do not think the issuing authority would concern itself with the political views of the applicant, political in that sense. As for any relationship between the passport office and those authorities responsible for security, I think I shall have to leave that question for others to answer.

(Proceedings suspended)

The CHAIRMAN: Order, gentlemen. As we have all returned safely from the chamber and the vote, we shall proceed with our activities. Mr. Graydon, have you any further questions to ask of Mr. Heeney on the point raised by you just before the recess?

Mr. GRAYDON: No, not on that point; but as we go along I would like to ask further questions.

Mr. FRASER: If I remember rightly, when I was in the U.S. office in Toronto, I found that they would not give a visa or passport until they looked in a card index which they keep. That card index contains the names of all persons who have violated the laws of the United States. Have we got something in the way of an index?

The WITNESS: I think you are there distinguishing between the grant of a visa and the issuance of a passport. A visa is of course a permit to enter a certain country, issued by that country. It is a practice of many countries to look into the background of individuals who apply for visas. In connection with the point you raised, Mr. Graydon, we do the same thing ourselves.

Mr. MACINNIS: Mr. Chairman, perhaps I can have this point cleared up. I have had the idea that a passport is merely a certificate of citizenship. Are there any circumstances under which the government would refuse a passport to a Canadian citizen?

The WITNESS: Mr. Chairman, as I said, and as I am afraid is quite evident, I am not an expert in matters of passports. My understanding of the situation is, however, that the issue of a passport is not something which is granted as of right to a citizen but something which, at least in theory, is granted as of grace. On the other hand, I do believe that the practice is to issue passports to all who apply and who establish their identity and citizenship. I do not think one can say much more as far as that question is concerned. I know of no case myself of an applicant, whose identity and citizenship have been established, being refused a passport.

The CHAIRMAN: Shall item 52 carry?

Carried.

Item 53, representation abroad.

Mr. GRAYDON: I do not know whether the point I had in mind comes under passport administration or under this item, but perhaps we can deal with it here. Have we a reciprocal arrangement with the Soviet Union for the exchange of newspaper correspondents between Canada and Russia? Is there an arrangement made between the Soviet Union and Canada, and do our correspondents get the same privileges in Moscow that the Soviet Union correspondents would normally get in Ottawa?

The WITNESS: Mr. Chairman, so far as I am able to answer that question, there is no arrangement between the two governments with respect to an exchange of correspondents. The facilities open to a Soviet correspondent in this country are, as you know, quite extensive. The facilities which would be open to a Canadian correspondent in Soviet Russia are, as you also know, very strict and limited.

Mr. GREEN: Our correspondents in the Soviet Union would have the same rights as correspondents from the United States?

The WITNESS: They might be granted the same rights but I do not know of any case or instance of an application being made for any particular right as a foreign correspondent. I cannot see any reason why there should be any difference in the treatment of our correspondents and any other correspondents from the western countries. They have no great freedom as you understand.

By Mr. Graydon:

Q. May I ask this? Are newspaper correspondents who come here from the Soviet Union granted any diplomatic privileges or immunities by this country—bearing in mind they come from the Soviet government?—A. My understanding is that the only Soviet correspondent in Canada at the moment is a member of the Tass agency. The Tass agency is an arm of the Soviet state—a government organ—and I do not believe the correspondent appears on the diplomatic list, but I do not know.

Q. In other words the Tass correspondent has no diplomatic immunities or diplomatic privileges in this country beyond what the ordinary person coming from the Soviet Union would have?—A. I understand not, Mr. Graydon, but it is in part a legal question which I would not like to attempt to answer. Some members of the committee may have in mind a case in the United Kingdom in which a Tass correspondent pleaded diplomatic immunity, I think in defence of a libel action; and as I recall the circumstances the court accepted the plea and the action was dismissed. But the whole question is, perhaps, not only a question of fact but also a question of law, where your opinion would be a great deal better than mine, Mr. Graydon.

Mr. STICK: All these correspondents are treated alike, however; I understand that it is the general policy.

The WITNESS: That is generally true, yes.

The CHAIRMAN: Shall the item carry?

Mr. GRAYDON: Mr. Chairman, before you go on may I say that I have just been informed of a very important news dispatch which bears on this subject, and that is a Reuter's Bulletin, London, which says that the British Government announced today that it may change the law conferring diplomatic immunity on Tass, the official Russian news agency.

The WITNESS: A member of the press gallery called me this morning and informed me of that, but we have as yet no official information on the matter. I have no doubt that the report is correct, but the matter is not yet officially before us.

Mr. GRAYDON: The Canadian Government, I take it then, does not grant immunity to a particular department as far as this country is concerned?

The WITNESS: I am not sure that it is correct to speak of the granting of diplomatic immunity. Diplomatic immunity is a matter of law, to be determined in part by names on the diplomatic list, those who are on the secretariat of the country concerned. I speak with some diffidence on this. However, if an individual is a member of a diplomatic mission, included on the diplomatic list as such, he may in an action plead that he is immune from civil action or prosecution. The extent of immunity is one which has no precise definition in law. As I understand it, it is not a matter of statute in this country but a matter of common law; and that a court will or will not accept a plea of immunity. It varies a great deal according to circumstances and according to the type of proceeding in which this plea is made.

Mr. GRAYDON: Now, is the representative of Tass Agency in Canada attached to the Russian Embassy here; is he part and parcel of the embassy officially?

The WITNESS: Well, I just checked that question with the officials, and I am told that he is not included on the diplomatic list. We have been informed that Tass is the organ of the Soviet state; but as to whether one of their correspondents could successfully plead diplomatic immunity in the event of becoming involved in a proceeding I do not think I am capable of saying.

Mr. FLEMING: Are we still on item 53, Representation abroad?

The CHAIRMAN: Yes, we are still on 53.

Mr. FLEMING: Mr. Chairman, just for clarity, does this item include the expenditures on buildings of the department abroad?

The WITNESS: Might I interrupt for just a moment to say that I have inquired about the status of that return to which Mr. Fraser referred—

Mr. FRASER: Yes, I have it here.

The WITNESS: I just wish to say that it will be tabled in the House, I take it, tomorrow.

The CHAIRMAN: Do your questions, Mr. Fleming relate directly to item 53, or would they come under 54?

Mr. FLEMING: Well, item 53 is Representation abroad, is it not, Mr. Chairman?

The CHAIRMAN: Yes, it relates to staff and property and so on.

Mr. FLEMING: This question has to do with the operation of relief credits.

The WITNESS: That is a different matter, again.

The CHAIRMAN: And perhaps you will note also that the estimates for the year 1950 are on page 9.

Mr. FLEMING: The item on representation, I take it, is the item that includes expenditures for capital, and also covers accommodation for diplomatic representatives abroad.

The CHAIRMAN: They are divided into two items, No. 53 and No. 54, but they are practically the same; if we pass one you could take up anything you like with regard to both on the other.

Mr. FRASER: You want that particular vote to pass then?

The CHAIRMAN: Yes.

Mr. FRASER: That would be all right. I have a question to ask.

Mr. FLEMING: Mr. Fraser has his return in front of him so maybe he had better start asking his questions first.

By Mr. Fraser:

Q. The return is not in yet, but the order for return went out under date of October 27, and as Mr. Heeney has said that it will probably be tabled tomorrow, it will probably contain much of this information. This return gives the salaries of the different high commissioners, ambassadors, and so on. In regard to the high commissioner in the United Kingdom—that office is under Mr. Wilgress—it gives his salary for a very short period, March 15, 1949, to March 31, 1949, \$548.39, but during that time for living expenses and one thing and another of that nature there is an item \$1,136.86. That is for a period of only fifteen days.—

A. Well, from there he was transferred to another post.

Q. He was transferred from Switzerland to London?—A. Yes.

Q. And while on that, he has had \$10,838.60 for living and representation allowance. Now, what I want to ask is this: What items does that really cover? My question was concerning living and representation allowance. The living allowance would be hotel expenses or things of that nature that are allowed by the department, but what is the representation allowance; what does that cover?—A. I think it would be a good thing if I asked Mr. Hemsley, who is head of the administrative division, to explain representation allowance in general terms and then we could, if you wish, dispose of the particular question in relation to Mr. Wilgress or anyone else.

Q. I just picked out that name because he was moved from one place to another.

Mr. HEMSLEY: We take the posts abroad and decide first, without reference to cost of living in those countries, what would be a total amount of remuneration considered appropriate for each head of post to do his work, and in determining that amount we reflect the importance of the post and also the customs of the country. In some places custom requires that they need more than they do in others. Having determined the basic amount of remuneration, we then apply to it the cost of living index for the post as determined by the Bureau of Statistics; so that, for instance, if the total remuneration for a post is \$15,000 and the Bureau of Statistics says that the cost of living index in that country is 150 as compared with Ottawa at 100, then the \$15,000 will go up maybe another \$5,000. That gives the actual remuneration in that post of \$20,000. And then if we deduct salary from the \$20,000, the balance is the allowance. It is not broken down into living costs or representation. It is lumped, living and representation, because for the head of a mission a residence is provided free of charge. I should mention that the cost of living index for the post is not applied to the total amount of the salary and allowance but to seventy per cent of it on the understanding that a man will have thirty per cent of his total remuneration left behind in Canada for commitments here such as income tax, superannuation and so forth.

The WITNESS: There are, indeed, three elements in the total take, as it were, of the heads of missions. There is first of all his salary which is determined in relation to other civil servants' salaries and in the case of a head of mission is fixed by order in council; his appointment is by order in council. These salaries vary from \$8,000 to \$12,000. The second element of what I call the take is the basic remuneration, which is a figure which is arrived at in the manner Mr. Hemsley has just been describing, and it might be as he said \$10,000 plus \$5,000, a total of \$15,000, the basic remuneration required in capital X. Then the third element is the residence that is provided for the head of mission which may be either owned or rented premises.

Mr. FRASER: But then on top of that would you not have to take into consideration the entertainment that that ambassador or post would carry?

Mr. HEMSLEY: That is what his allowance is provided for.

Mr. FRASER: He has to do that himself?

Mr. HEMSLEY: With the money provided, yes.

The WITNESS: That is one of the things which he is expected to provide from the amount he receives in addition to his salary.

By Mr. Fraser:

Q. That is on top of the salary?—A. That is right.

Q. Here is one example, Argentina. The salary is \$10,000 and under living and representational allowance, \$14,454, which is more than the salary. That does not bear out just what was said by Mr. Hemsley that you cut that in half.

Mr. HEMSLEY: No; in that case the post that you have mentioned there is both a high index post and a high post graded from the point of view of representation. Speaking from memory I would judge that the post at Buenos Aires requires \$17,000 total remuneration, assuming that the costs in Buenos Aires are the same as they are in Ottawa; but when you apply the Argentine index to the salary and the basic allowance you get quite a substantial amount. Really you should consider the expenditure on heads of mission abroad not as salary and allowances, but total remuneration.

Mr. FRASER: Of course, a man should, when he is in a place like that, have enough money to be able to live in the station of life that this department has put him.

Mr. HEMSLEY: Yes, in the case you have mentioned that gentleman would have a total of \$24,000 to perform the work that we ask him to perform in Argentina.

Mr. FRASER: And I doubt if that would be any more than enough. I have lived in the Argentine and I know what it is like.

Now there is another question here and I believe it comes under the same item. It is in regard to the house that was purchased or the embassy that was purchased in London, England. The cost is shown at \$88,847.05, but the repairs et cetera amounted to \$215,000. Now why would that be?

WITNESS: I think Mr. Moran will answer that question.

Mr. MORAN: It is a house in which very substantial repairs have had to be done for three reasons: First, to repair bomb damage that had been done to the building during the war of which the purchaser was aware at the time the building was purchased. That incidentally, is one of the reasons that the house was available at \$88,000; second, it was necessary to make certain alterations and repairs to make the premises suitable for the purposes for which it was to be used; third—and this amount ran into a very substantial figure and is the same thing that has been discovered in the roof of the east block—a certain amount of dry rot had set in.

Mr. GRAYDON: That is in the building?

The WITNESS: In the building, yes.

Mr. MORAN: We had an architect's certificate supplied to establish that it was the type of thing that could not be discovered in a normal examination and investigation of a building that is carried out by a prospective purchaser. In fact, it might not have been discovered at all if it had not been that one of the repairs necessitated going into the wall and made it possible for the dry rot to be discovered. Those are the three items that have led to repairs of this substantial nature.

Mr. McCUSKER: When we purchase a building in a foreign country do we have the inspection carried out by our own engineers or do we retain engineers of the country in which we are purchasing the building?

Mr. MORAN: It is a combination of both. We have only one man available and when possible he goes to the city in which the purchase is to be made and makes certain inspections of his own. Where he considers it appropriate he will employ some local agents to assist him. In those cases where our own man is engaged elsewhere and cannot get to that city the head of mission obtains an estimate or an appreciation, from two or three independent engineers or assessors.

Mr. McCUSKER: I do not want to cast any reflections upon the engineers or assessors of any other countries but I think it should be possible to use our own.

Mr. MORAN: That is done almost exclusively as witness the fact that our man has just recently returned to Ottawa for the first time in a year and a half.

Mr. FRASER: Is he the same man who appeared before our committee here a couple of years ago?

Mr. MORAN: Mr. Antoine Monette.

Mr. FRASER: Before our United States embassy was purchased?

Mr. MORAN: Yes.

Mr. FRASER: May I also ask this question? Is the property that was bought in 1946 in Nanking still retained by us?

Mr. MORAN: Yes, it is still retained and is still occupied by us in Nanking.

Mr. GRAYDON: Is that a prefabricated embassy?

Mr. MORAN: Yes.

Mr. FRASER: That is the premises in which the land cost \$53,299.58 and the building \$125,901.11 and local improvements—I suppose that would be sewers, electric light, et cetera—cost \$21,434.31, making a total of \$200,635.00.

The WITNESS: That is correct. It really constitutes a compound as I understand it for the ambassador and his staff because conditions in Nanking, as the committee will appreciate, are quite abnormal and provision had to be made for members of the staff in addition to the ambassador.

Mr. GRAYDON: I understand that in connection with the Chinese embassy a new experiment was tried so far as our embassy building there is concerned; and having in mind experiences at Chungking I understand that prefabricated dwellings or buildings were sent from this country to China for the purpose of erection in Nanking. Would one of the witnesses care to indicate as to whether or not that experiment has been a success and what is the view of the department with respect to that?

The WITNESS: I asked the ambassador about that when he came home. The department and the treasury board examined the proposal and we were really at a loss to know how we could have proper accommodation for an ambassador and his staff in Nanking when he was posted there. Various proposals were scrutinized, and the proposal to provide prefabricated buildings was one, and after that scrutiny it was accepted and approved, and Mr. Davis tells me he is quite satisfied that it was successful and that without that provision they would have been very much hampered in their work. They were able to concentrate the personnel in the compound there and they were able to perform their work pretty efficiently, and although the total cost by Canadian standards seemed to be pretty large for prefabricated buildings yet by the standards of China I am sure they are comparatively modest.

Mr. MORAN: Mr. Davis has made a calculation and says we would have been paying \$36,000 a year rental for the same accommodation if he had been able to find any in Nanking.

Mr. GRAYDON: In other words, our real estate transaction there was more successful than the one in Chungking?

The WITNESS: I am afraid I do not remember the Chungking situation. I was not in the department then although I could easily find out.

Mr. MORAN: May I read Mr. Davis' comment on Chungking? He makes reference to it and says:

However, taking into consideration the amount of the rentals which otherwise would have had to be paid I doubt if the loss to the Canadian government was actually great.

Mr. BATER: Are our properties in China all intact at the present time?

The WITNESS: Yes, they are.

Mr. FLEMING: There are some things I would like to say in general about these posts abroad before coming back to ask some specific questions about some of the other properties. I will make my remarks brief. They are based on what I saw, and discussed with our representatives at our European posts in Athens, Rome, Paris, Brussels, The Hague, Copenhagen, Oslo and Stockholm. I am not saying anything at the moment about Berlin, or about Canada House or about our post at Dublin. I would like to say, in the first place, that I think it is a matter of some urgency that the under-secretary should make a personal visit to these posts abroad. There are some problems there—some peculiar to each; some common to all—that I think can be solved only if one holding the responsibility of the under-secretary sees these problems at first hand. Some problems relate to property, some to staff. Now, the first point I would like to mention is in regard to staff. At practically every one of these posts there was a complaint of under-staffing. I am not in a position to say whether the complaint was justified or not but I do say that that is something that should be looked into and should have the personal attention of the under-secretary if he can see his way clear to make a visit to these posts abroad.

The second point is this: Exchange difficulties have created a great deal of difficulty for some of the members of the staff. Again, the effect of exchange difficulties has not been uniform in the different countries. I think of a place like Paris, taking it as an example. When I was there there were actually three exchange rates prevailing in Paris. There was an official rate of exchange—I think it was 260 francs to the dollar—then there was a bank rate of something like 312 to the dollar, and then there was the third rate which I will not name at the moment which apparently was the one which ran 440 to 460 to the dollar. Our representatives over there—I am thinking at the moment particularly about members of the staff—were naturally obliged to exchange at the official rate which is the low rate and that did not begin to represent the expenses they had to meet; at least not the exchange rate of expenses they had to meet. Now that is a situation that I think is reacting on a number of the members of the staff. I am not suggesting it is confined to Paris, although I know it to exist there. That again is a problem that should be redressed. The third matter is in regard to property; and that leads me to ask one or two questions. Again, as one might naturally expect, our representatives over there have had their problems in obtaining accommodation in many cases. They were, of course, away during the war and in other cases posts have been opened up. I should not say for the first time in these places, but it has been necessary for our representatives to find accommodation; that means accommodation for the staff, the offices, and also living accommodation. In some cases they have been faced with no little difficulty in that respect. Now, the statement that has been given in reply to Mr. Fraser's request shows at The Hague an expenditure of \$194,128 for the acquisition of the property there. Could we have an explanation of that item? When I was there Mr. Pierre Dupuy, our very distinguished ambassador at The Hague, had rented a very fine residence on favourable terms. The chancery was well located, down town in a building of rather fine appearance; but I was given to understand that the purchase of that building was not recommended because it was understood to be sinking. Now I see an item here amounting to \$194,128. Could we have an explanation of that item?

The WITNESS: Would you like that dealt with first?

Mr. FLEMING: Just to suit Mr. Heeney's convenience, Mr. Chairman.

The WITNESS: We might get rid of the particular questions as they arise. I would like to make some general observations on your general remarks first.

Mr. FLEMING: Perhaps it might be better if Mr. Heeney made his general remarks before we got to the particular questions.

The WITNESS: Have you any more general remarks or general questions?

Mr. FLEMING: I have some specific comments to make about accommodation at particular posts.

The WITNESS: I would be glad to make a general answer regarding staff in European posts and in other posts abroad. This suggestion which Mr. Fleming has made that the under-secretary should himself see conditions in these posts has been one which has been in my mind for the past eight and a half months since I have held the position of under-secretary but, unhappily, I have not been able to get away from this continent because of other duties, and I have only been able to visit three of the posts on this continent. However, the committee may be assured that just as soon as it is possible—and I hope it will not be many months from now—I shall visit the European missions that Mr. Fleming has mentioned with a view to obtaining personal knowledge of the problem of the heads of missions and of the other members of the staffs of those missions. I will simply have to leave it to some date when my duties will permit me to get away for that purpose. I attach great importance to that myself and I know the minister has already expressed agreement with the proposal that Mr. Fleming has made and to which he made reference in the house the other day.

Now with regard to the staff at our missions abroad I do not think myself, from such knowledge as I have, that one could generalize and say that our missions are understaffed. I think unquestionably some of them are understaffed at the moment or have been understaffed having in mind their particular duties at a particular time, because the duties of missions do rise and fall particularly in capitals like Paris where in addition to the normal day to day duties of a foreign mission are added the duties which devolve upon our missions in countries where international conferences and meetings are frequently held, as they are in Paris.

In Paris, in London, and in Washington particularly, the incidence of international meetings in which Canada is involved brings considerable additional burden upon the heads of the missions and upon the officers and other members of the staff of the mission. They have to provide the physical services, the clerical services, and, officers of the mission naturally are required to participate in many of these conferences and meetings which are held.

Some months ago there was set up in the Department of External Affairs what we call an establishment committee. This committee, under the chairmanship of Mr. Moran, has amongst its members a representative of the Civil Service Commission on the establishment side. With the co-operation of Treasury Board, who are, of course, also interested, the committee is presently engaged in a careful examination of the establishment requirements of each of our missions abroad.

The heads of our missions abroad have been asked to report to us their needs and to detail their requirements as to types, seniority, experience and qualifications of officers and other staff which they need normally and to meet the unusual requirements which I have mentioned. This establishment committee is also examining the divisions of the department at home. Our object is not to determine an inflexible establishment in each of our missions or divisions but to determine some reasonable standard against which we can measure the legitimate needs as to personnel. That process, as the committee will recognize,

does take some time but good progress is being made. In the meantime we are trying to meet immediate situations as they arise with respect to requirements for additional staff and additional officers in our offices abroad.

Mr. Fleming, you mentioned the exchange difficulty. That is, of course, a great complication in the administration of the pay and allowance regulations. Mr. Hemsley may wish to add something to what I will say. The exchange rates, official and other exchange rates, which have obtained in many countries of the world—I should say most countries of the world—together with the related cost of living index and the variations in the cost of living index, have made it exceedingly difficult to keep abreast of all requirements of employees of the department who serve in those countries. We are making a great effort to keep abreast, but I do not know that we always succeed. Sometimes there is a lag between the development of the actual situation and the determination of the adjustments that have to be made. The extent to which we succeed is not for me to say, but we do try very hard to keep abreast of these situations. One of the things I would certainly wish to take up on such a trip as Mr. Fleming suggested would be the impact of exchange difficulties upon personnel. I do not know whether Mr. Hemsley wishes to add anything?

Mr. HEMSLEY: I was just going to mention that the posts abroad have to report to us the rate of exchange which the staff enjoys when changing their Canadian currency into the local currency. It is upon that reported figure that the allowances are based. In France the free rate of exchange is enjoyed. They do not use the official rate.

Mr. FLEMING: The free rate of exchange is the second or middle rate; it is not the highest rate. The employees there are not in a position to enjoy the most favourable rate.

Mr. HEMSLEY: No, they are instructed not to use the third rate which you mentioned. However, their allowance is higher because they are not allowed to enjoy that rate of exchange.

Mr. FLEMING: That is a situation wherein I think study will repay dividends if the under secretary can make a trip.

The question of possible purchases of property is an additional reason for the under secretary to see the situation first hand. If properties are going to be bought they are presumably being bought for permanent purposes and, as this committee has found in the past, large amounts are often involved. I think before any major step is taken the under secretary should see the local situations first hand.

Probably it might be easier if I were now to make some comments about properties and they can be dealt with in sequence or in whatever way Mr. Heeney and those with him care to answer. I will take Athens first. I understand there is no change contemplated there. Our ambassador is housed in a very fine residence and there is a very fine and well located building for the chancery.

In Rome there are two buildings but I understand the department has under contemplation the purchase of a new property and the erection—

Mr. HARRIS: Is this a travelogue or a series of questions? I would suggest that Mr. Fleming ask questions on the item, asking what the expenditures are?

Mr. FLEMING: I thought it might be simpler for Mr. Heeney and those with him to comment on my remarks. There is a pattern to this, but I can take individual locations if it is easier.

Mr. HARRIS: Ask what expenditure is going to be made. The expenditures are in the estimates. You are saying that he is not going to do something here and not going to do something there. You should ask him why?

Mr. FLEMING: I thought that was what I was doing. I am quite prepared to meet the convenience of the committee and the witnesses, but I thought it would be simpler if the witness could deal with my various points together.

Mr. McCUSKER: May I ask if Mr. Fleming's data has been assembled in an official or an unofficial way, and whether the department has had the benefit of the information before now?

Mr. FLEMING: There have been some exchanges on the matters.

The CHAIRMAN: I believe an individual member has the right to give his personal impressions.

Mr. McCUSKER: I just wanted to get clear whether this was an official visit that Mr. Fleming made?

Mr. FLEMING: No, I was entirely on my own.

Mr. MACINNIS: The point that strikes me here is that Mr. Fleming, in dealing with these embassies and legations, says that he found satisfactory situations as well as certain unsatisfactory situations. Could we not save time if we dealt only with those situations where Mr. Fleming discovered unsatisfactory conditions? For instance, Mr. Fleming mentioned Athens, and he said that we have very fine buildings, and seemingly there was no complaint. I think such locations could be skipped and that he might mention only those which were not satisfactory.

The CHAIRMAN: As a good attorney he is being very concise and complete. I would also say that personal reaction is very important to the committee and here we have a person who has travelled to the actual locations.

Mr. MACNAUGHTON: I too, made a trip and visited some of the embassies mentioned. I think it might be wise if we were to embody the impressions received in a detailed report because the detail concerning London, Paris, Geneva, while very interesting to us and to the department, does take a lot of time. It seems to me the department should have the advantage of a compiled record, if I may put it that way.

The CHAIRMAN: Your point is well taken. I realize members always consider that time is an important factor. At the same time, I do not see how I can stop a member of the committee from giving his impressions of things which he believes to be interesting to the Department of External Affairs. I know that brevity will be a factor to all members concerned.

Mr. FLEMING: This was not put forward as a review, but it was put forward with a view to asking what the department plans?

Mr. HARRIS: Why not ask the question directly?

Mr. FLEMING: If there is all this impatience on the part of some members I will stop.

Mr. FRASER: I do not think that Mr. Fleming should stop. I think we should have both sides and I understand Mr. Fleming's visit was made as a member of the parliamentary committee?

The CHAIRMAN: I believe that it is time well spent here. Otherwise, the time will be spent in the House of Commons—and that will not be good—and this committee is the safety valve for the department.

Mr. FRASER: Your point there is well taken.

The CHAIRMAN: I think Mr. Fleming should go on. I know that he is in favour of brevity himself.

Mr. FLEMING: Speaking now of Rome, I would ask Mr. Heeney how far plans have gone and what the department has under contemplation there? As to Paris, are there any changes contemplated? There has been a good deal of over-crowding in Paris, particularly when the international conferences have

been held there. At the other places mentioned are any changes contemplated, and if so, what changes? I note, as I mentioned about The Hague earlier, that the return given to Mr. Fraser shows an expenditure of \$194,128 on the acquisition of properties. I wonder if we could have the particulars of that acquisition because it presumably has taken place fairly recently?

At Copenhagen what plans are under contemplation? I am thinking at the moment of the office accommodation. I am not thinking so much of the residence but the office accommodation was not very impressive. It had been necessary to reconstruct a building and to make an outside entrance off the driveway to the office quarters which were down in the basement of the house. It was not a very satisfactory situation. I understand there might be some changes contemplated there and perhaps Mr. Heeny can tell us about them.

Is there any purchase under contemplation at Oslo? If so, has a location been considered? I was going to ask for a report about that.

With respect to Stockholm and Oslo I would make this comment if I am permitted. In both places our legations are housed in office buildings. I understand that an office building or an apartment building is not the most suitable kind of location for diplomatic representatives for security reasons. I wonder if that is a factor under consideration by the department and if any steps are being taken in consequence of the situation?

I shall not say anything further on the subject.

The WITNESS: Mr. Chairman, I shall say something and then ask Mr. Moran to supplement or correct me where I am wrong.

If one can speak of the policy of the department with regard to the purchase of real property, I suppose that the policy is to make haste slowly. Apart from this arrangement for the purchase from blocked funds which will be standing to the credit of Canada as a result of military relief expenditures during the war, we are not planning to purchase properties anywhere if we can help it, unless some particularly advantageous opportunity offers. The committee will, I think, recognize that it is not possible with a small staff to maintain the proper kind of examination of proposals for purchases involving large sums of money without taking a good deal of time. For that reason we favour a policy of making haste slowly in these matters.

The purchases that are presently under consideration by the department are in Paris, in Rome, and in Copenhagen. These purchases would not involve expenditure apart from blocked funds available in those countries. We are not asking for funds for this purpose in the departmental estimates.

The situation in Paris is that we have a number of prospects which are, to a varying degree, suitable for the needs of the chancery and the ambassador's residence. None that have turned up so far are altogether satisfactory, but we agree that the present situation is not suitable. The chancery is inadequate; the residence is totally inadequate—as I think members of the committee who have seen it will agree.

The situation in Rome is somewhat similar. There we have prospects which are a little brighter and perhaps more immediate. On the other hand, we cannot make a deal finally in Rome until we have some arrangement with the Italian government concerning the settlement of those claims upon which the extent of our blocked funds will be determined.

In Copenhagen I believe we may be able to move ahead rather more quickly because settlement of the balance due to the Canadian government in blocked currency is rather more advanced. I will ask Mr. Moran to say a word about the situation in The Hague.

There is no change contemplated in Athens.

I have no personal knowledge of the situation in Oslo, although I have some knowledge of the situation in Stockholm. Things are quite unsatisfactory. The

minister there is in an apartment building. Not only is that unsatisfactory from the point of view of security, which is a consideration and must be a consideration in leasing and purchasing of any premises, but also it is unsatisfactory from the point of view of the housing situation in Sweden which, as Mr. Fleming will know, is difficult. Mr. Stone has been looking over various possibilities and has reported upon them to the department, but at the moment we have no funds and we are not asking for any funds until we know precisely where we are going.

Mr. MORAN: The only place upon which I would like to comment is Athens. Actually there are some negotiations under way in connection with the purchase of an embassy in Athens, again to be paid for out of the settlement of the military relief account. A purchase has been prompted because the rent is already high and, as the lease expires next year, the landlord has indicated that he wishes to double the rent.

Mr. FRASER: Is there no rent control?

Mr. FLEMING: Is it the residence or the chancery you are speaking of?

Mr. MORAN: The residence. The Greek government has undertaken on our behalf to locate a suitable building in Athens. They feel there is some obligation on their part to assist us because of the delay in settling our Military Relief Account the funds of which will be used for any possible purchase.

In the case of The Hague, I would like to check the reports which we have in the department before I try to give the details which lead to the purchase. But perhaps I should say that this residence will not be paid for by Canadian dollars. I hasten to add that because we are paying for it in Dutch guilders is not a reason for spending more for a building than would normally be spent if it were being paid for in Canadian dollars; but there is to the credit of the Canadian government a considerable number of Dutch guilders, arising out of the military relief account. And it is with this money that the building will be paid for. The item appears in here, in our estimates, in dollars because of a technicality in the entry of the one dollar item last year. This is the same residence that you refer to, which Mr. Dupuy was living in when you were there; and it, again, is a case of the owner wanting to sell the premises. After a survey of a number of locations in The Hague, this location was selected as being the most suitable for all purposes, but as I said, before I make any comment on the purchase price, I would like to view the reports on it.

Mr. FLEMING: This is in respect to the residence that has been purchased at The Hague?

Mr. MORAN: Yes.

By Mr. Fleming:

Q. \$194,128. Am I to take it that it is the policy or intention of the Under-Secretary that before any more purchases are made he expects to see the local situation himself?—A. I hope that will be possible. I expect to do so.

Mr. LEGER: Mr. Heeney said a little while ago that he intended to visit as many of the different embassies as he could. Perhaps he could prepare a report for next year so that when he comes before us again he could give us a complete account. Perhaps we might carry on now with the items.

The CHAIRMAN: Shall item 53 carry?

Carried.

Shall item 54 carry?

Carried.

Mr. FLEMING: I have one other question with respect to Dublin. When was this property purchased for \$32,292.39 together with the amount of \$10,576.20 for improvements and alterations? Is that the property in which the High Commissioner was living a year ago last spring?

Mr. HEMSLEY: Yes.

By Mr. Fraser:

Q. I take it there are no other large expenditures contemplated within the next six months?—A. It will depend on whether we get ahead with this Paris and Rome project. At both places present prospects might require very substantial alterations and additions.

Q. There is nothing in your estimates for those two purchases?—A. No. They would be paid for under the Military Relief account.

By Mr. Fraser:

Q. Is it shown?—A. That is item 54.

By Mr. Fleming:

Q. I believe the minister indicated there was some change in contemplation with regard to the mission to Berlin, that some of the staff would be moved to Bonn. Will that affect the property set up at Berlin?—A. That is an exceedingly difficult situation. We really do not know what we are going to do. In fact the last telegram from Mr. Pope said that he was reporting from under a sheet of corrugated iron and that he had no real prospects there at all. I trust something will be found, however, whether it be rented premises or whether we have to purchase premises. But it remains to be seen. The consular work will continue to be carried on from Frankfurt. Mr. Pope will be located at Bonn, but he will have a junior officer at Berlin.

Q. What about the property at Berlin now? Will you continue to use all of it?—A. Probably not but it is not costing us anything at present. It is a charge on the German economy.

Q. There is no decision on that as yet?—A. We would keep it as long as we required to have an office there, and that will be as far as we can see ahead.

The CHAIRMAN: Does item 54 carry?

Carried.

Does item 55 carry?

Carried.

Does item 56 carry?

By Mr. Graydon:

Q. I wonder if the Under-Secretary has any information as to the number of Canadian citizens there are in China? I am asking the question, not in a general way but in order to know whether or not the new communist successes which have brought under the control of the communists great portions of China, will have any effect of a prejudicial character on the missionaries of the Christian churches who are in there in rather substantial numbers? Have you any report as to that?—A. We cannot guarantee the exactness of the present figures which we have. But after the warnings which had been given by our mission in Nanking, as the communist armies approached different areas, there was left a hard core of about 500, as far as we could judge, and they are still in China. Only recently I was talking to the head of the far eastern division.

Q. Are you speaking of citizens or of missionaries?—A. I speak of Canadian citizens generally, including missionaries, which make up a very large percentage of the total. Last week I spoke to Mr. Menzies about this matter and he made a report to me and said that of approximately 500, a number which can only be taken as a very round figure, 250, or thereabout, were in the area still occupied at that stage by the nationalist armies, and about the same number were in areas of China which were under the occupation of the communists. Now, whether or not the communists are likely to interfere with the ordinary operations

of Canadian missionaries in the areas which they occupy remains, I think, largely to be seen. We have had no indication yet of which I am aware that they have been interfered with. In fact the earlier stages of communist occupation have indicated that they are not desirous now of interfering; but whether that situation will obtain six months or a year from now, I would not like to guess.

By Mr. Green:

Q. Have you any method of communicating with the missionaries?—A. I cannot answer for all. But we have got messages through to Nanking. However, what the situation is for communication to Peiping and the rest of communist China, I do not know.

The Canadian ambassador before leaving China satisfied himself that all Canadians in the areas recently overtaken by fighting were safe and well. That was the last report we had from our ambassador before he actually left Nanking.

Q. Are there any in the vicinity of Peiping?—A. My impression is that there are Canadian missionaries still in the areas occupied by the communists, but I shall try to get you a specific answer on the point.

By Mr. Graydon:

Q. I think that the West China Mission and hospital which is operated by the United Church is situated in the western part of China which has not yet been over-run by the communists.—A. That is quite true. There is quite a little community from the United Church, and Mr. Menzies did mention it as being among the 250 Canadians in the nationalist areas.

Mr. HANSELL: Is it expected that we shall hear from Mr. Davis?

The CHAIRMAN: I shall leave the answer to that question to the parliamentary assistant, Mr. Harris.

Mr. HARRIS: Mr. Graydon brought this question up the other day, Mr. Chairman, and at that time the minister said that it would remain with the committee to decide. But he spoke immediately after that on second thought and he pointed out the possibility that Mr. Davis as an ambassador might lose his usefulness if he were sent back to China as ambassador, should he appear before this committee, and that it was a thought which might require some consideration by this committee.

Now, further consideration of the matter brings up not only that point but also the purpose of this committee. I understand the purpose of this committee is to examine into the accounts of the external affairs branch; and I understand it is also the custom, one which has grown up, to debate extension of foreign policy. But it has been considered that it would be undesirable from every reason to have an ambassador from China come before this committee. The minister is responsible to this committee and he is responsible as well to parliament. I do not think it would be proper to have an ambassador called before this committee as it is presently constituted.

Mr. GRAYDON: I am afraid that there must be some limitation or shading-off from that rather drastic rule because it seems to me that this committee ought to be able to hear some of our representatives abroad in the same way as we receive evidence from some of our representatives at home. Even though there may be some considerations which necessarily will enter into the picture, so far as the evidence given by an ambassador is concerned, this committee can be depended upon to use common sense and good judgment with respect to any discussion that might take place.

All our ambassadors are men of considerable experience and I fancy they would know pretty well what should be told and what should not be told, having in mind their positions. I think it would be of great advantage to the members of this committee if we could hear something of what is going on in other parts of the world. And it seems to me that these people who have a special means

of gathering information might tap their experience and might talk from their experience in order to give us a picture of world affairs as they see them in the particular localities where they operate.

I would like to see Mr. Harris recede a little from the position he has taken. I think that rule should not be made too hard and fast. It should be remembered that we have had in the past some very interesting discussions here which, from both a parliamentary and a public point of view, have been very useful in our general external affairs work. I should like to see the government take a little more lenient attitude if they could see their way clear to do so, and allow Ambassador Davis to come before this committee.

In addition to that, I think we should have as many representatives from abroad come before us as possible, if that can be done. I would not like to see the work of this committee limited too greatly because, after all, the public have a tremendous interest in what is going on in certain sections of the world, and I think the public ought to be told as much as possible from the standpoint of security and general diplomacy. I only make the suggestion because I think it would be most acceptable to the public generally and to parliament. I do not think that in the end any serious difficulty would arise with a committee which is seized of its responsibility as I think this committee is.

Mr. HARRIS: There is no desire whatever, Mr. Chairman, not to supply this committee with all the information that would be necessary for it to discharge its duties. That information might even include a travelogue picture of any foreign country presented by someone best equipped to do so. The minister might do it, or in his absence, the deputy minister, if we so requested. Or, if it should be the desire of the committee, we could have the head of the far eastern division of the External Affairs branch tell us what he had in mind about the east and give us whatever we wanted to know. That is the kind of expert information which I think the committee would like to have and perhaps should have. But I think ambassadors are in a somewhat different class from that and while, as I say, it would be interesting no doubt to hear what the ambassador has to say on conditions in China, I think that information if released for this committee could best be given by the Under-Secretary or by the minister or by the responsible head of the division.

The CHAIRMAN: Is there any further comment?

Mr. HANSELL: Mr. Chairman, I think that, perhaps, we understand Mr. Harris' position and explanation. But I am under the impression that the reason External Affairs estimates are referred to this committee, while no estimates of other departments are referred to other committees, is that there are in the world today peculiar situations arising which are perhaps unique to this department and which are not unique to any other department. I believe therefore the discussion of certain matters which might even be required should be held in camera and should be referred to this committee on the estimates, thus obviating the necessity of an open discussion in the House.

I am particularly interested in the situation in China, and since missionaries have been mentioned, missionaries who are Canadian citizens, it seems to me that we should have an opportunity to learn something more than the minister indicated in his speech in the House. I am not concerned particularly whether it should be Ambassador Davis or some other appropriate person, but I would like to have an elaboration of the reference to China which the minister made.

Mr. HARRIS: I will draw the attention of the head of the department to the discussion as to ambassadors generally and to Mr. Hansell's request. I am quite sure that all the information and discussion which he would like to have would follow upon the statement by the head of the far eastern division. It could be given before this committee either today or tomorrow.

Mr. GREEN: I suggest a little further consideration should be given to this question before a definite decision is made. If I understand Mr. Harris' statement today, it is that we could not hear men from the United Nations, such as General McNaughton, who has appeared before this committee, and whose evidence has been very helpful. Another example might be that of Canada's representative on the far eastern commission. The minister took no exception to his appearing before us. In fact, the minister suggested that Mr. Collins come. I believe there is no doubt we could get useful information from the men stationed in Ottawa, but I do not believe that they would have the knowledge of what is going on which is possessed by those who represent Canada abroad. If we should hear merely the local men I believe it would stultify the work of our committee very much and I do not think it is very reasonable. So I would ask that before a definite decision is made—I know the minister is away now, but I would be interested in hearing his opinion as to how far this iron curtain is to be drawn.

The CHAIRMAN: Is there any further discussion?

Mr. GRAYDON: I would be very much surprised if the Hon. T. C. Davis himself would not welcome the opportunity of coming before this committee, because he must have a very important message to deliver to us. I think it would be quite within the realm of propriety, because I think I know him well enough to make that statement.

Mr. WINKLER: While we would all be very interested in hearing a report from Mr. Davis which, no doubt, would be just as interesting as the account of General Bedell Smith in the *Saturday Evening Post*, yet I cannot help but feel that in the case of Mr. Smith he would find it very difficult should he return to Russia after having made his statement. So, if such a report as Mr. Davis might make here would prejudice his position, having regard to his return to China, I think we should give consideration to our hearing him now.

Mr. GRAYDON: Perhaps he is not going to return to China.

Mr. McCUSKER: It might affect whoever succeeds him there. There are different matters which come up, and if an ambassador were free to come here and give an informal talk, give his impressions on the stated policies of the government, and be subject to cross questioning and all that sort of thing—things relating to past actions, present actions and future actions—it might prove difficult. I think it might be all right for him to come here and make a statement; but if he were subjected to cross-examination, and questioning before this committee, I think he would have to be a very careful man if he did not get himself into difficulty.

Mr. GRAYDON: I would be one of the first to agree with you on that, Mr. McCusker. I agree that an ambassador should not be subject to cross-examination. What I had in mind was just an ordinary talk, and I thought that we could gain a very great deal if we could have an ambassador like Mr. Davis come and give us a factual account of conditions as he saw them in China. It is not a question of policy, it is a question of getting a realistic picture of conditions out there, and things of that kind. In my opinion, we know far too little about conditions in other parts of the world, and we have men travelling there; and I think they could review, let us say, the situation in China, and such a review would be of very great help to us. I would be the first one to object to allowing an ambassador to be cross-examined or questioned on matters of policy, because that is not his job in any event. My point is that there is a reasonable purpose in asking him to come here and give us a report. As I said before, that is what I had in mind.

Mr. LEGER: May I ask you, Mr. Chairman, how many of our ambassadors are available to appear before this committee at the moment? I think the Honourable Mr. Davis is the only one at home now. Suppose we were to ask him to come here and give us a factual statement; or, suppose we were to

ask Mr. Hume Wrong, our ambassador to Washington, to come here and give us a factual statement about things in the United States; if he says something in that talk to us which goes out through the press and is not approved by Washington, if his ideas are not acceptable to the country to which he is accredited, how could we expect him to go back there and continue his duties. And I think the same thing would apply to any one of our ambassadors. Even if one were to come here he would only be able to give his own ideas, his own opinions, his own viewpoint; and that might not be a viewpoint which was acceptable in the United States, let us say, or to the country which he may at the time be accredited; it might even go so far as to operate as a reflection on Canada.

Mr. COTE: As I see it, Mr. Chairman, I do not think an ambassador has the right to give his personal opinion, when he is speaking in an official capacity, in a committee such as this one.

Mr. MACINNIS: I doubt very much, Mr. Chairman, if it would be useful to bring an ambassador here for the simple reason that you would be asking him about established conditions in China today, and conditions in China today cannot be separated from the revolutionary forces in China. He would have to refer to those conditions, and after having done that it would be a question of whether it would be desirable to permit him to get back or whether he should be kept here. If there is anything to be said in that regard we must get it from the minister, and no one else can give it.

Mr. FRASER: May I ask you a question, Mr. Chairman? When General McNaughton was here were not the proceedings in camera?

The CHAIRMAN: It was an open meeting.

Mr. FRASER: Both meetings were open?

The CHAIRMAN: They were both open meetings.

Mr. FRASER: Two open meetings?

The CHAIRMAN: Yes. He made only a short statement off the record. All the rest of it was recorded.

Mr. MACINNIS: But Mr. McNaughton is on a different basis, Mr. Chairman.

The CHAIRMAN: I listened very attentively to the statement made by Mr. Graydon when he spoke on external affairs in the House the other day and I was particularly impressed with the answer which was made by the minister, the Honourable Mr. Pearson; and I think most of the members here will recall that when speaking with regard to China he called attention to the fact that the situation in China is not stabilized, they have a revolution there, and one cannot talk about conditions in China without making reference to the internal situation in that country. So you can easily understand how difficult it is for an ambassador to come here and give us his impression of the position he occupies, let us say in the United States, and his personal reaction on some of the activities there. That might not be so difficult, but it would be very difficult for Mr. Davis to give his reactions, because he would be immediately open to criticism on account of reports of what he might say here appearing in the newspapers. I agree with what Mr. Hansell said, that he was not in favour of that sort of thing. As some of you will recall, we had a very interesting meeting, I think it was two years ago, a joint session of the Committee on External Affairs of both the Senate and the House of Commons, when Mr. Pearson gave us an excellent address on international problems; but we were criticized, and I believe rightly so, because we had not invited the public and because we had not invited the press; and the same sort of criticism would be levelled against Mr. Davis or anybody whom we might invite here and who would address us in a closed session. We have to be very careful of the situation at the present time in so far as blazing new trails goes. I may say that

I am in favour of this suggestion so far as the committee is concerned. We started from scratch in 1947, and we have come quite a ways. At the same time we must be very careful of the ground we tread upon now. I believe the minister himself has expressed his views on the situation in so far as Mr. Davis is concerned. As you know, his position is a peculiar one; he has not left his position, he is here in Canada. However, we all know that the situation in China is not a happy one, neither for the Chinese people themselves nor for the whole of the civilized world. So, will you leave the matter with the chair and with the steering committee? I don't suppose you want a vote to be taken on it now. I may say that, personally, I would not be in favour of taking a vote at the present time, because if my information is correct we are at a stage in the session now where time is an important factor, particularly as we all hope and expect the session will close by the 3rd of December; so I do not think we would have very much time to receive visitors in the interval.

Mr. HARRIS: Well Mr. Chairman, I just wanted to make the point clear to the committee; I do not think that the proposal would be approved of.

Mr. DICKEY: Mr. Chairman, I will move that the question be referred to the steering committee.

Mr. GREEN: Will the minister make a further statement on this question?

Mr. HARRIS: I do not think that this is even a matter for debate in this committee. I do not think there has even been an expression of opinion in the House with regard to it. My own personal impression is that in even considering this matter we are going far beyond the range of the authority contained in the reference by the House to this committee. As you know, the reference to this committee is to consider the voting of certain sums of money for the use of this department. I think when we have dealt with that we have gone far enough. This business of compelling people to come before this committee is, I think, carrying the matter too far. I do not think there is any reason in the world why it should be done. The minister takes the responsibility in this committee as in the House. For that reason I will say that if the steering committee decides to call Mr. Davis I shall ask this committee to reserve the decision.

Mr. LEGER: I don't believe—

Mr. HARRIS: Excuse me for one moment. I will repeat what I said before; I shall be glad to direct the attention of the minister to this question and I will find out from him what can be done.

Mr. LEGER: I was going to say, Mr. Chairman, that I believe this should all be off the record of the committee. It should be left to the department, or to the government to decide whether or not Mr. Davis comes here.

Mr. PICARD: The government has no right to direct this committee, Mr. Chairman; only the House has the right to do that. Neither the government nor the minister has a right to give directions to a committee.

The CHAIRMAN: We are all familiar with parliamentary procedure. One of the reasons for having this committee set up was that we were limited as to getting information with respect to the work of the department. Officials of the department can sit in the House with the minister and provide him with information, but one of the reasons for setting up this committee was so that officials of the department could come before us and answer questions, so we could meet them. We are here to work on those estimates but our procedure is not to be too rigid. Take, for instance, the case of Mr. Hume Wrong our Ambassador in Washington. We cannot compel him to come here, but possibly we could arrange for his attendance through the minister. After all, he is the person who knows the situation as it stands at the present time in the United

States. But, speaking personally, if I were in such a position I would be a little reluctant to come before a committee such as this one to discuss, let us say, present-day conditions in China.

Mr. HANSELL: It might very well be left with the steering committee. And on that point of Mr. Davis coming here, I am not a bit fussy about meeting in camera. What I am concerned about is that the committee should be well informed by the proper officials who can give us the information.

The CHAIRMAN: Hear, hear.

Mr. HANSELL: Mr. Pearson, the minister, is not able to be here; therefore, we should have someone as close to the scene as possible to give us the picture.

The CHAIRMAN: I believe that is the proper way to meet it.

Mr. GRAYDON: May I make a suggestion, Mr. Chairman. I am on the steering committee. I do not think there is any great advantage having a meeting of the steering committee because I fancy that what we had better do is think this matter over, and then at our next meeting, or at some convenient time, we can take a vote on it and decide the issue right here. After all, if the government has made up its mind and if there are compelling reasons why an ambassador should not come; well, it can be depended upon that there will be enough people from the government side here that the vote will go that way. But I do not think there is much point in having the steering committee meet in connection with it; we had better decide it in open committee I think. That would satisfy me anyway.

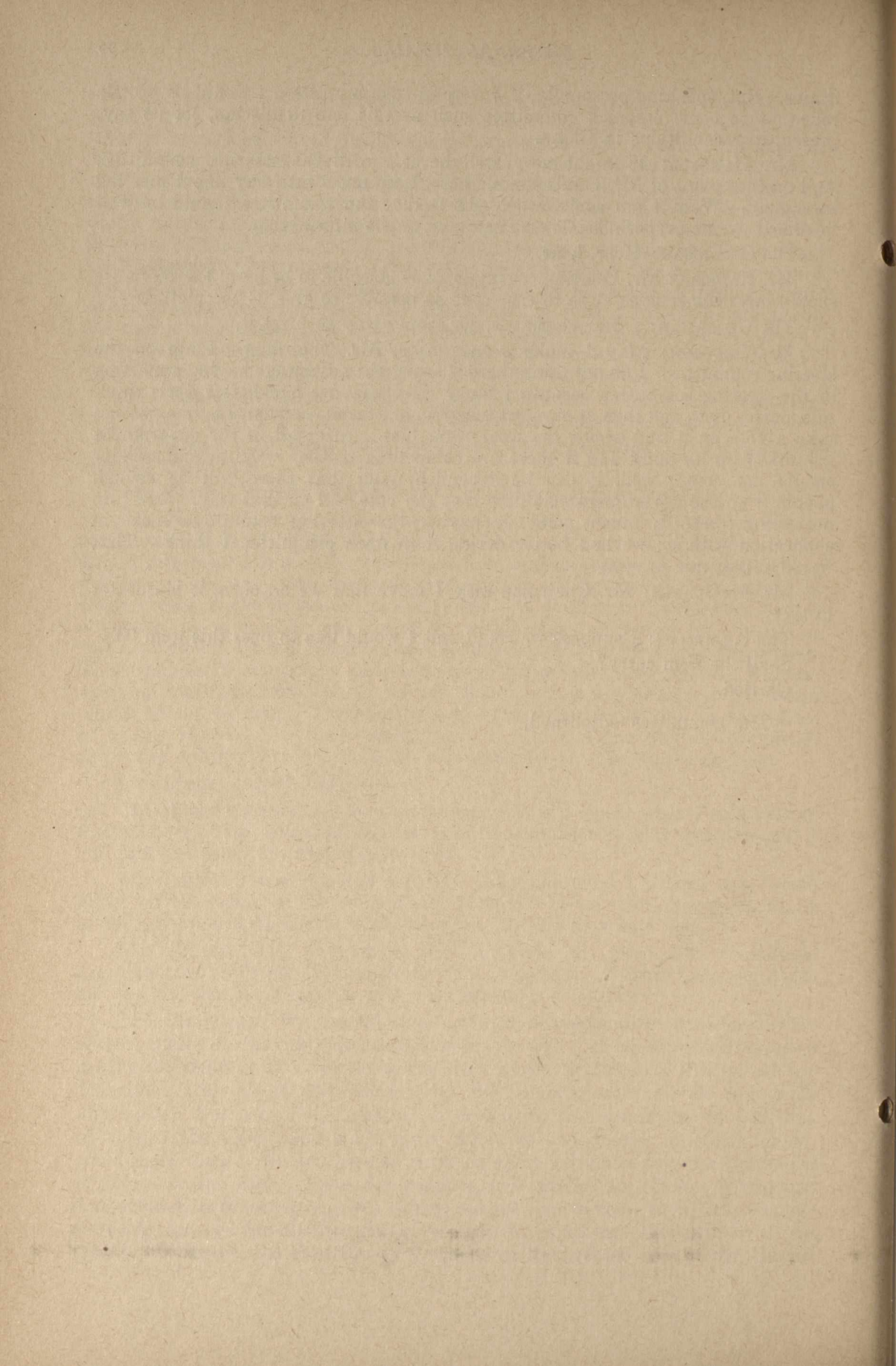
Mr. McCUSKER: Mr. Chairman may I move that we adjourn, it is quarter to six?

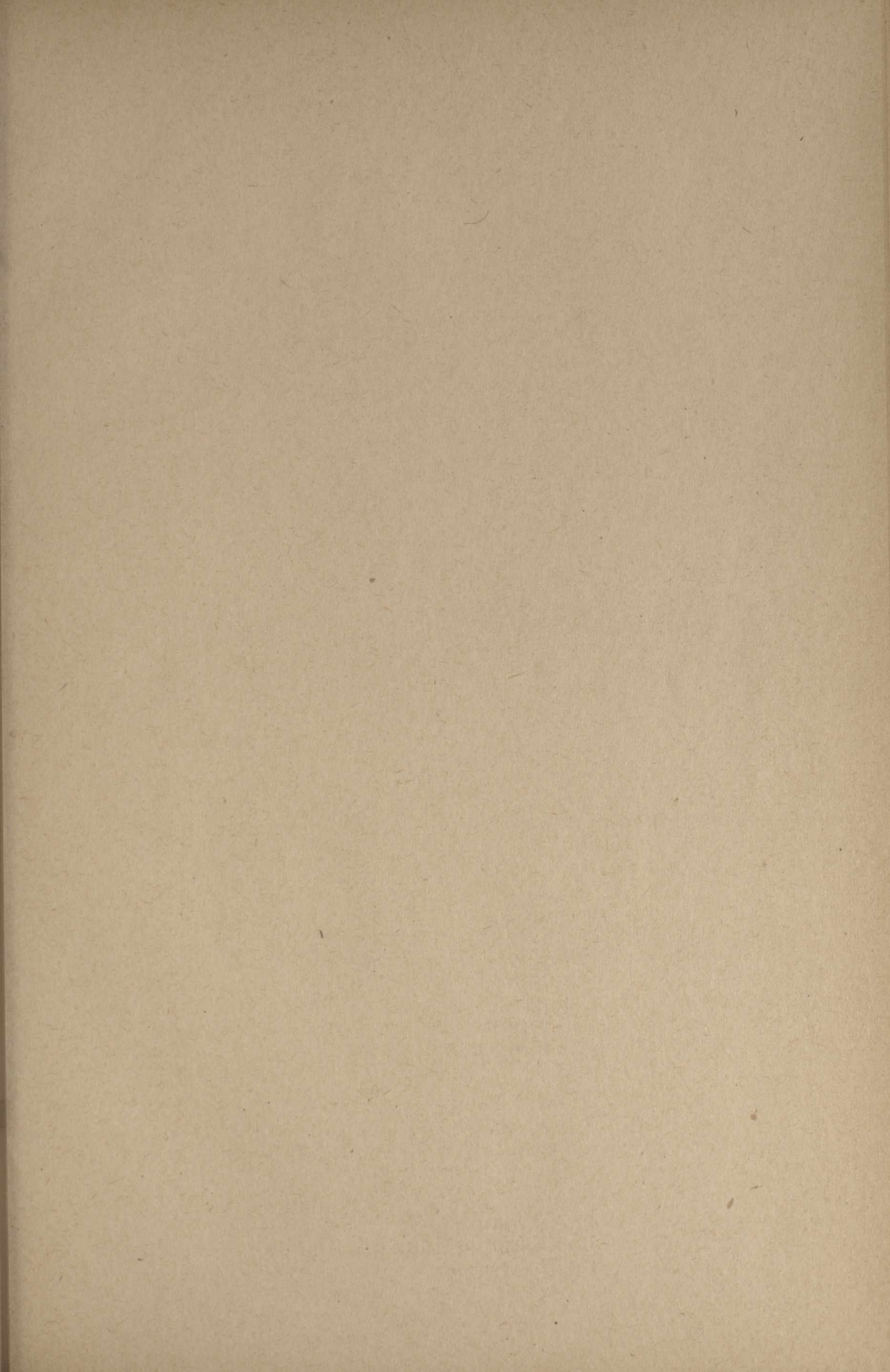
The CHAIRMAN: I suppose we could, but I would like to pass this item 56.

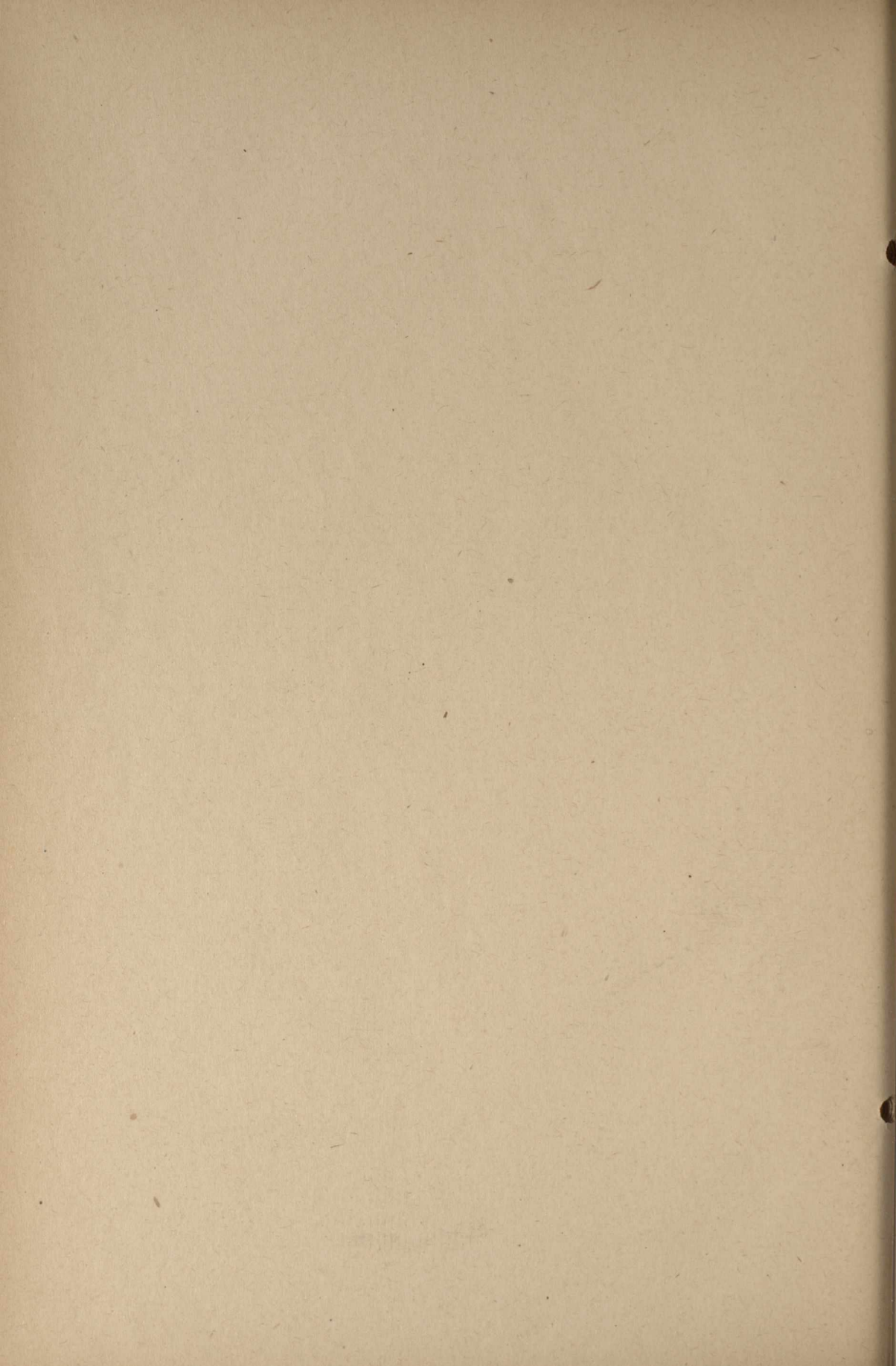
Shall the item carry?

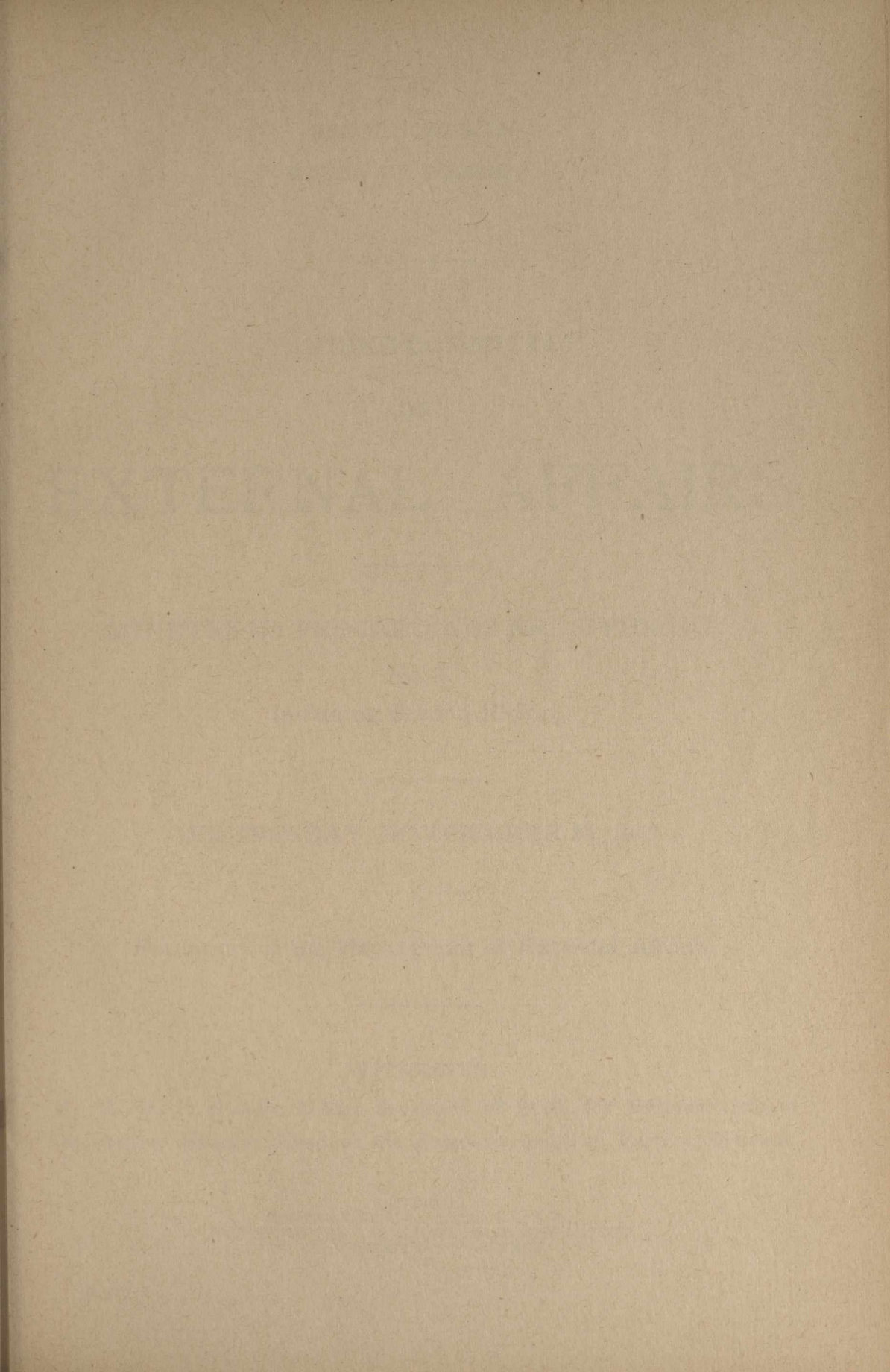
Carried.

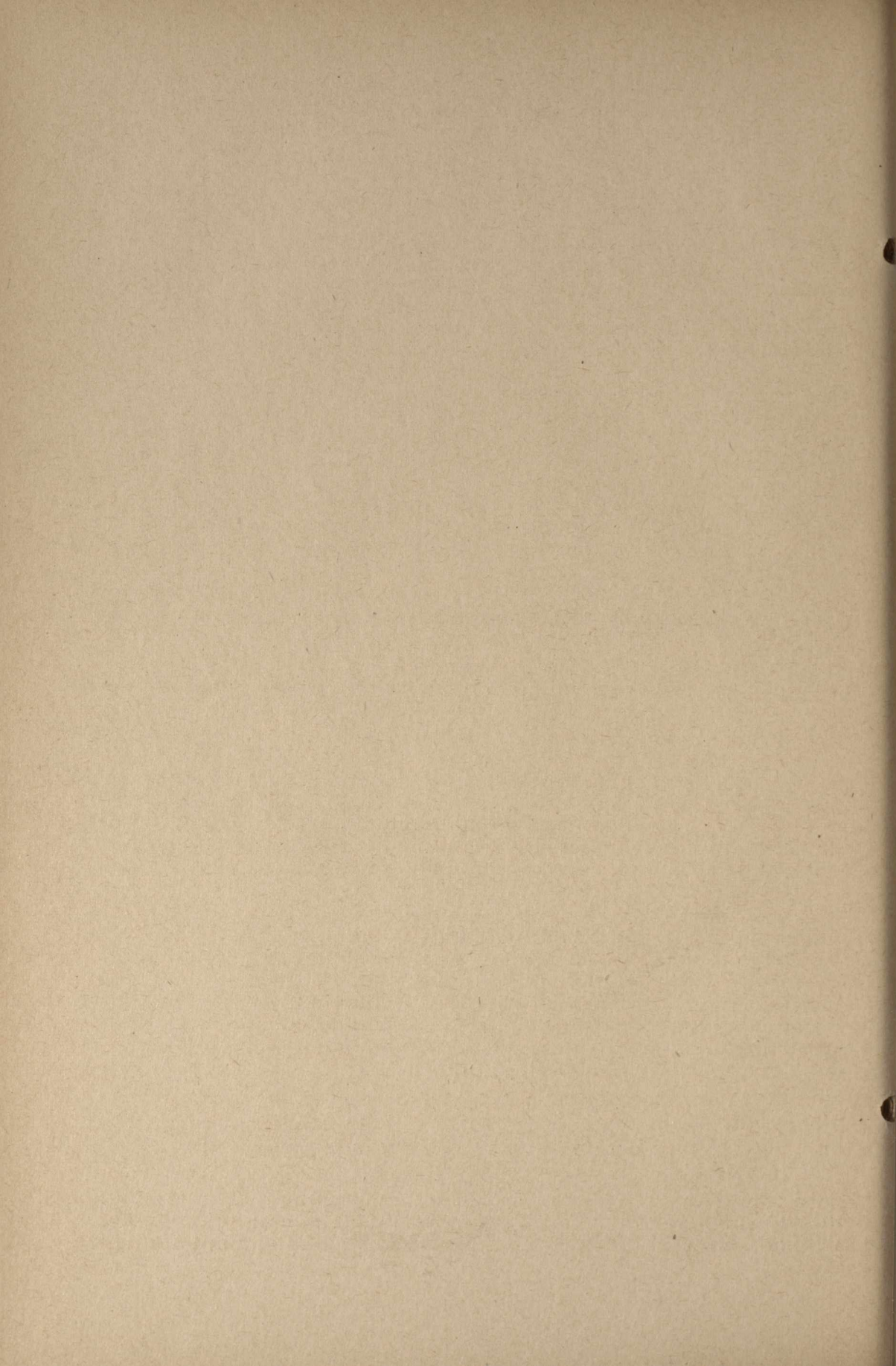
—The committee adjourned.











1949

SECOND SESSION
HOUSE OF COMMONS

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

Including Second Report.

WEDNESDAY, NOVEMBER 24, 1949

Estimates of the Department of External Affairs

WITNESSES:

Mr. A. D. P. Heeney, Under Secretary of State for External Affairs
Mr. Arthur Menzies, Head of the American and Far Eastern Division.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1949

HOUSE OF COMMONS
1901

STANDING COMMITTEE

97

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

Including Second Report

WEDNESDAY, NOVEMBER 21, 1901

Chairman of the Department of External Affairs

Witnesses:

Mr. A. D. H. Henson, Under Secretary of State for External Affairs
Mr. Arthur Balfour, Head of the Dominion and Foreign Affairs Division

Printed by the Government Printer, Ottawa, 1901.

1901

ERRATA

(See minutes of proceedings and evidence of Friday, November 18—No. 1)

Order of Reference of November 17, 1949—2nd line thereof
and Nos. 766 to 799 inclusive of the Further Supplementary Estimates
1949-50 *should read* "and Nos. 766 to 779, etc.

CORRECTIONS

By Mr. Fleming relating to No. 2 of the printed evidence.
(for details see evidence of Thursday, November 24—evening session)

By Mr. Heeney relating to No. 1 of the printed evidence.
(for details see evidence of Thursday, November 24—evening session)

REPORT TO HOUSE

SATURDAY, November 26, 1949.

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

SECOND REPORT

On Thursday, November 17, 1949, the House passed the following Order of Reference, viz:

That Votes Nos. 51 to 70 inclusive of the Main Estimates 1949-50, and Nos. 766 to 779 inclusive of the Further Supplementary Estimates 1949-50, be withdrawn from the Committee of Supply and referred to the Committee on External Affairs, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

Your Committee has devoted six meetings to the consideration of the said Estimates in the course of which it heard the Secretary of State for External Affairs. Evidence was given by the Under Secretary of State for External Affairs and the Head of the American and Far Eastern Division of the Department.

Your Committee approves of the above Estimates.

The printed evidence taken before the Committee will be tabled at an early date.

All of which is respectfully submitted.

(J. A. BRADETTE),
Chairman.

MEMORANDUM

1. The following information was received from the Bureau of Investigation on November 15, 1940:

CONFIDENTIAL

On the 15th instant, the following information was received from the Bureau of Investigation:

MEMORANDUM FOR THE DIRECTOR

DATE: November 15, 1940

The following information was received from the Bureau of Investigation on November 15, 1940:

CONFIDENTIAL

On the 15th instant, the following information was received from the Bureau of Investigation:

The following information was received from the Bureau of Investigation on November 15, 1940:

The following information was received from the Bureau of Investigation on November 15, 1940:

Your attention is directed to the above information.

The enclosed information is for the Bureau of Investigation and should be handled as confidential.

All of which is respectfully submitted.

W. A. BRADY (T)

Special Agent in Charge

MINUTES OF PROCEEDINGS

THURSDAY, November 24, 1949.

The Standing Committee on External Affairs met at 3.30 o'clock.

Mr. Joseph A. Bradette, the Chairman, presided.

Members present: Messrs. Bater, Benidickson, Bradette, Campney, Coldwell, Côté (*Matapédia-Matane*), Croll, Dickey, Fleming, Fournier (*Maisonneuve-Rosemont*), Fraser, Gauthier (*Lac St. Jean*), Graydon, Green, Hansell, Harris (*Grey-Bruce*), Leger, MacInnis, Macnaughton, McCusker, Picard, Pinard, Richard (*Ottawa East*), Robinson, Stick, Winkler.—26.

In attendance: Messrs. A. D. P. Heeney, H. O. Moran and S. D. Hemsley.

Mr. Heeney was recalled and supplemented answers given at the previous meeting relating to:

1. Canadians in China
2. International agreements concerning pipelines
3. So-called Cascades-Patterson road
4. Change of the boundary between Canada and the United States near Prince Rupert, B.C.
5. Diplomatic immunity of foreign newspaper correspondents.

The Committee resumed its consideration of the Estimates.

Vote 56—Relief of distressed Canadian citizens abroad.

Vote 57—Canadian Representation at International Conferences.

Vote 58—Expenses of Canadian delegation to ICAO.

The above votes were carried.

A suggestion to report the Committee's appreciation of the activities of the United Nations Association in Canada was made.

After a further discussion on China, Mr. Graydon moved that the Committee call Mr. T. C. Davis, Canadian Ambassador to China, for the purpose of hearing factual information on the present conditions in China.

After discussion, the question being put on the said motion, it was negatived.

The following were also approved, viz:

Vote 59—Canadian section of Canada-U.S. Permanent Joint Board of Defence.

Vote 60—Grant to United Nations Association in Canada.

Vote 61—United Nations Specialized Agencies.

Vote 62—Food and Agricultural Organization of the United Nations.

Vote 63—International Labour Organization.

Vote 66—Commonwealth Communications Council.

Vote 68—Commonwealth Shipping Committee.

Vote 69—To provide for preliminary studies and surveys of the Midwestern Watershed (Revote).

Votes 64, 65, 67 and 70 were allowed to stand.

Particular references were made to the work of UNESCO.

At 5.45 o'clock the Committee adjourned until 8.15 this day.

EVENING SESSION

The Committee resumed at 8.20 o'clock.

Mr. Joseph A. Bradette presided.

Members present: Messrs. Bater, Benidickson, Bradette, Campney, Croll, Dickey, Fleming, Fournier (*Maisonneuve-Rosemont*), Fraser, Gauthier (*Lac St. Jean*), Gauthier (*Portneuf*), Graydon, Green, Harris (*Grey-Bruce*), Leger, MacInnis, Macnaughton, McCusker, Mutch, Picard, Richard (*Ottawa East*), Winkler.—22.

In attendance: Same as at the afternoon meeting, and Mr. Arthur Menzies, Head of the American and Far Eastern Division.

Mr. Heeney was recalled.

The witness was allowed to make corrections in the printed evidence of November 18 and 22 (Nos. 1 and 2).

Mr. Fleming was also allowed to make corrections in the evidence of Tuesday, November 22—No. 2. (*For both see minutes of proceedings and evidence, No. 4—evening session*).

The Committee reverted to Votes 59, 60, 61, 62, 63, 64, 65, 67 and 70. It concluded its study of the Estimates.

The witness, assisted by Messrs. Moran and Hemsley, read statements on the above items, some of which were allowed to be incorporated in the record.

Votes 51 to 70 of the Estimates and Votes 766 to 779 of the Further Supplementary Estimates (1), both referred, were formally approved on motion of Mr. Harris.

Pursuant to an undertaking given at the afternoon session, Mr. Arthur Menzies was called. He made a statement on existing conditions in China and was examined thereon.

The witnesses were retired.

It was suggested that the Department supply Members of the Committee and Members of Parliament with annual reports of the various United Nations specialized agencies.

The Committee's appreciation was expressed to Messrs. Heeney, Moran and Menzies and to the staff of External Affairs.

At 10.45 o'clock, the Committee adjourned to the call of the chair.

ANTONIO PLOUFFE,
Clerk of the Committee.

EVIDENCE

November 24, 1949.

The CHAIRMAN: I will now call the meeting to order.

A. D. P. Heeney, Under Secretary of State for External Affairs, recalled:

The CHAIRMAN: I believe Mr. Heeney has additional information to give on some of the questions put to him by members at the last meeting. We are now dealing with item 56. I will ask Mr. Heeney to proceed.

The WITNESS: Mr. Chairman, I might supplement, in two or three particulars, the answers I attempted to give yesterday to various questions put by members of the committee. Two or three members asked about Canadians in the Peiping area, and also Canadians in the southwest area of China. Mr. Graydon made reference to west China, an area in which the United Church is involved. I am informed that there are about eighty Canadians in the community there and, to the best of the information we have, there are about two hundred and fifty Canadians in the area now occupied, as far as we know, by the Nationalist troops.

By Mr. Graydon:

Q. Is Chang Tu under Communist domination?—A. As far as we know that area is still under Nationalist control.

The latest information we have indicates that there are approximately 30 Canadians in the Peiping-Tientsin area in North China. These are mostly missionaries, both Protestant and Roman Catholic. The largest group is connected with the Maison Chabanel, a Jesuit institution outside Peiping, where missionaries are trained in the Chinese language and for their missionary work.

Canadians in this area will be under the immediate care of the British Consul General in Peiping and the British Consul General in Tientsin.

By Mr. Fournier:

Q. May we have the names?—A. Of the missionaries?

Q. Yes.—A. I think we could only obtain them from the religious orders, in the case of the R.C. missions and from the churches in the case of the Protestant missionaries.

Q. Did you say Chabanel?—A. Yes, Maison Chabanel.

At the meeting when the Minister was here, Mr. Green asked two or three questions on which we are now able to give additional information. At page 40 of the proceedings of the meeting on Friday the 18th of November, Mr. Green inquired about international agreements concerning pipelines. We have had a further search made and there are no international agreements of which we are aware, and I take it that we would be aware of any if they existed. I am speaking of agreements in effect concerning pipelines. The minister did say consideration would be given to the desirability of having agreements and that is being done.

The second question which remained unanswered in whole at any rate, was the question asked by Mr. Green on page 41 of the same volume of proceedings having to do with the so-called Cascades-Patterson road. I think that is the correct name. We have no record of this matter at all; no record of any proposals or negotiations suggested by the United States government.

By Mr. Green:

Q. The suggestions would be from the British Columbia government?—

A. We have no record of that either, Mr. Green. Any discussions held must have been unofficial or in any event outside of the department.

A third question which remains unanswered, categorically at any rate, was Mr. Green's question at page 41 where he asked: "Are there any negotiations under way whatever to change the boundary between Canada and the United States?"

The simple answer to that question is no; there are none. It might be of interest to the committee to know, however, that in 1940 an approach was made informally to see whether the boundary waters of the Dixon entrance, which are off the boundary line between Alaska and British Columbia, could be delimited.

Q. They are quite near Prince Rupert?—A. Yes. Inquiry was made to see whether they could be delimited to the satisfaction of both countries. At that time, and on one of two occasions when the matter was raised again no jointly satisfactory solution was reached and we have not heard anything further for some time.

Q. Were those approaches made by the Canadian government or the United States government?—A. The United States government.

Q. In a case of that kind would the provincial government be consulted?—A. Oh, yes. I think, indeed, that one of the reasons why no solution was reached was that the federal government was unwilling to accept the tentative proposals put forward by the United States government because those proposals were not satisfactory to the government of British Columbia.

Also, Mr. Chairman, if it meets the wishes of the committee I would like to supplement what I said yesterday in an answer to Mr. Graydon concerning the situation of the Tass Agency and the representative of the Tass Agency in Canada.

I have had an opportunity of having inquiry made about the case in the United Kingdom to which reference was made. I found, from the information that I have, that this was an action in libel against Tass and an individual, Frederick Taylor, which went from the trial court to appeal. The plea by defendants, which was upheld by the Court of Appeal, was that the Tass Agency, one of the defendants—the principle defendant—was an arm or organ of the Soviet government and, as such, entitled to sovereign immunity. That is a different matter from that which we were discussing yesterday. Although the two have some characteristics in common. The defence was that Tass was an organ of a sovereign government and it was that plea which was upheld on appeal. The question of the diplomatic immunity of the individual was not, as I understand it, one of the deciding factors in the judgment, although I have not the full report of the court of appeal and I cannot be completely precise upon that point. It would appear that the essence of the judgment was that the Tass agency was an organ of the Soviet government and as such entitled to the immunity which a sovereign government enjoys in another sovereign state.

By Mr. Graydon:

Q. That would include the diplomatic immunity which we were discussing?—A. I do not think that is necessarily so. I was going on to say a word also about the diplomatic immunity. As we see it in the department, a correspondent of the Tass Agency in Ottawa would not succeed in attempting to establish diplomatic immunity, although that would be a question, in the final result, for the court to find on the evidence presented. The Tass correspondent here is not on the diplomatic list and I might say that being included on the list is a *prima facie* way of establishing diplomatic status. The information that I have is that

he is a non-diplomatic member of the staff of the Soviet embassy. I suppose it would be open to the ambassador to allege that the situation had changed, but I do not know that there is any use of me trying to look forward to what would happen in the event of hypothetical proceedings. As the situation appears to me now the gentlemen in question would not likely succeed in a plea of diplomatic immunity.

Q. May I ask the Under Secretary one question on that? Is Tass here in any different legal position from Tass in the United Kingdom?—A. Not to my knowledge.

Q. Then, if that is the case, if the courts in the United Kingdom have held that Tass was beyond the law in England because it was part of or an organ of another sovereign state, then what would there be to hinder the same Tass Agency under the same circumstances raising that defence here?—A. That again is perhaps hypothetical. In the event of an action against the Agency itself the Agency might raise the same plea, and I suppose, although the Court of Appeal judgment in the United Kingdom would not be binding in any way, it would be of some exemplary importance. That is a rather different question to that of diplomatic immunity of the individual.

Q. Well the individual would be the servant or the agent of an organ of another sovereign state?—A. I do not know whether the case in Great Britain dealt with the question of the agent acting in the performance of his duties; I have not got the full report. Whether the individual enjoys any privileges in view of his employment by a foreign government—and there are some privileges he enjoys as part of the staff of the embassy although non-diplomatic—I would not know. Among the privileges enjoyed by the Tass representative would be customs exemption on first arrival, exemption from Canadian income tax, and certain foreign exchange privileges.

Q. May I ask the Under Secretary whether correspondents coming from other countries to this country enjoy the same privileges as that man?—A. Anyone who is a press attaché, and as such an employee of the government of another country, would I presume, be in much the same position or possibly a better position. It is really a matter for the government in question to determine—whether an individual will or will not be included among the members of the diplomatic staff. The old expression is “the ambassador’s retinue”. That was the expression used by early authors to indicate whether any individual was entitled to immunity. Again, as I say, that is a matter for the government concerned to determine. Any correspondent who came here as an employee of a private concern would not enjoy those privileges.

Mr. MACINNIS: Would there be any disadvantages to being on the diplomatic staff?

Mr. COLDWELL: The man would not be entitled to Press Gallery privileges if he were on the diplomatic staff.

The WITNESS: That would be a matter for the Press Gallery to decide.

By Mr. Graydon:

Q. Then, as I understand it, Sandy Inglis of the London *Times* would not have the same privileges as the Moscow agency?—A. The *Times* is not a government agency—that is the legal answer.

Q. Why should something in the nature of a characteristic of one country militate against representatives of another and put them in a preferred position as compared to a correspondent from the United Kingdom?—A. As far as the Department is concerned, of course, we do not look into those considerations. I suppose all that is proper for us to examine is whether an individual is or is

not a member of the staff of the embassy in question. In that we rely on the ambassador or the head of the mission.

The CHAIRMAN: Shall item 56 carry?

Carried.

Item 57?

Mr. STICK: I have a question here although I do not know whether it comes under this heading. I understand there are negotiations going on between the American authorities and this department regarding the bases in Newfoundland. Can you give us any information on that, Mr. Heeney? As I say I do not know whether it comes under this heading?

The CHAIRMAN: It is all right to put the question as long as we avoid repetition.

The WITNESS: My hesitation is not, in this particular instance, due to my ignorance, as it usually is, but rather as to what can be said at this stage. I am afraid I must confine myself to saying this matter is the subject of current discussion between the two governments.

Mr. STICK: I think there have been various articles written on the matter, and I think of one by Mr. Blair Fraser. I do not know him but, in substance, what he said was correct. We do not want any strained relations in Newfoundland between the American authorities and ourselves there. The article in question was correct in saying that the matter had been dealt with by our courts satisfactorily to us. The American authorities employ between two and three thousand Newfoundlanders and we do not want any strained relations to upset the arrangement. I am very interested and very much concerned over the problem. I do hope that when the situation is dealt with that consideration will be given to the fact that you are not negotiating from the Ottawa standpoint only, and that you will not leave out the local situation.

Mr. COLDWELL: You are speaking of the extra-territorial obligations?

Mr. STICK: I am speaking of certain things regarding customs, the jurisdiction of the courts, and so on. The Americans are rather touchy people but we get along with them very well. Once in a while incidents have occurred that were magnified out of all proportion by the press.

Mr. MACINNIS: Mr. Pearson mentioned the point when he was before us and there is a paragraph on page 18 of the printed evidence where he gave a reply to a question put by Mr. Fraser.

Mr. STICK: The Americans leave millions of dollars in Newfoundland and we do not want them to get huffy and discharge the Newfoundland employees and bring in their own. We had an American gentleman down there a few years ago who took an antagonistic outlook towards Newfoundlanders, but he did not stay very long, and we do not want anything like that to happen again.

Mr. FRASER: When I asked the question I did not do so to create any discord. I do not think that there should be nor that there will be any discord, but they have the same situation there that has existed right here in Ottawa. If one of the vehicles belonging to the defence forces of the United States bumps into a civilian vehicle there is no redress at all. I brought the point up a number of times when we were discussing defence estimates and I think it is something that should be straightened out. I think, when, the negotiations are proceeding, a proper solution should be found for this situation but I do not think that there will be any discord whatsoever.

The WITNESS: Perhaps I might draw the committee's attention to page 18 of the proceeding to which Mr. MacInnis has made reference. There my Minister has said, in reference to these extraterritorial rights and the other special rights which the United States enjoys under the bases agreement—"at the same

time we hope that by friendly arrangement between these two countries the terms of that particular lease in its application to Newfoundland can be modified somewhat without interfering with the United States strategic plans at all, to bring it more in line with the principle of cooperative action which applies to our other mutual defence arrangements with regard to United States troops on Canadian territory. We have control over such cooperative action."

I think the clear inference of what the Minister said enables me at least to say to the committee that the matter is one which is under discussion now but, I think I am bound not to say, because of that, what stage these discussions have reached.

Mr. STICK: You mention strategical considerations, but I am concerned with local considerations and that is the reason why I mention the matter?

The WITNESS: I am sure that, if Mr. Pearson were here, he would say that we have such considerations very much in mind.

Mr. STICK: I am glad to hear that.

The CHAIRMAN: I think, Mr. Stick, that you probably could play quite an important role in any conferences concerning the local situation.

Mr. STICK: I have looked into the situation and I think that we could add to the discussions.

Mr. FOURNIER: Would I be in order in asking a question of Mr. Heeney concerning diplomatic immunity? I know that we finished discussing that a few minutes ago.

The CHAIRMAN: I do not think that anyone will object.

By Mr. Fournier:

Q. I would like to know the exact position, so far as diplomatic immunity is concerned. What is the position with respect to space? The French embassy in Ottawa I understand is considered as French territory. If the French ambassador however, is in Montreal, or in Vancouver, does he enjoy diplomatic immunity still, or is it only in the building here?—A. As I understand the law, the embassy foreign government is extraterritorial, not part of the territory of Canada but the territory of the state which owns the embassy. Privileges and immunities also attach to the person of the ambassador and those who constitute his retinue or diplomatic staff.

Q. Wherever he is?—A. That is right, sir.

Q. What is the position of the Canadian ambassador in the USSR? Is he able to feel at ease in Moscow and does he receive the same treatment?

Mr. COTE: How could he?

The WITNESS: The chargé d'affaires—we have not had an ambassador in recent years in Moscow—and his diplomatic staff enjoy, under our interpretation of international law, the same diplomatic immunities and privileges as the ambassador of that country enjoys in Canada. I have no reason to believe, so far as the question of diplomatic immunity is concerned—that there would be any difference in the treatment accorded the Canadian representative there.

Mr. PINARD: That is speaking of our interpretation.

The WITNESS: I did not mean to imply that. Diplomatic officials of all countries are expected, as a matter of international practice, to abide by the laws of the country in which they are stationed. My understanding is that there are restrictions upon movement within the Soviet Union.

The CHAIRMAN: Restrictions which do not exist here?

The WITNESS: Yes.

Mr. FOURNIER: Are you informed of the limits of those restrictions?

The WITNESS: My understanding is that in order to travel outside of the area of the capital special permission of some kind must be obtained—under a comparatively recent law. I am informed that the area beyond which special permission must be obtained is somewhat larger than the municipal limits of Moscow.

Mr. COLDWELL: Is that permission difficult to obtain?

The WITNESS: I understand that it is.

Mr. FOURNIER: What would happen if our chargé d'affaires went beyond that limit?

The WITNESS: Mr. Chairman, I am afraid the question is one which I would not be able to answer. I do not know what might happen. It is rather difficult to answer a hypothetical question like that.

Mr. MACINNIS: I imagine the difference between the freedom of the Russian representative here and the Canadian representative in Russia would not be dissimilar to the freedom of Canadian citizens here and the freedom of Soviet citizens in the Soviet Union.

The WITNESS: I do not know that I am in a position to answer but I would not be surprised if the situation were similar.

Mr. FLEMING: Mr. Fournier's question may be inspired by the fact that last week the American consul in Mukden was placed under arrest along with several members of his staff and released only yesterday.

Mr. FOURNIER: But the orders of expulsion were given.

The WITNESS: Consular officers normally are not entitled to diplomatic immunity in civil or criminal cases.

The CHAIRMAN: Do you think they allow in their building the picture of the Prime Minister and that of the leader of the opposition the same as they do here in exhibiting the picture of Stalin?

Mr. FLEMING: I do not suppose they have a word in their language to translate leader of the opposition.

The CHAIRMAN: Shall the item No. 57 carry?

Carried.

The CHAIRMAN: Item No. 58.

Mr. GREEN: Has there been any agreement reached yet between Canada and New Zealand concerning air service to the South Pacific? I understand we have an agreement with Australia but the annual report of the department for last year said on Page 47 that negotiations are proceeding towards a similar agreement with New Zealand?

The WITNESS: I will ask Mr. Moran to answer that.

Mr. MORAN: The agreement is, in fact, not concluded although there are no difficulties that would lead one to the conclusion that an agreement will not be negotiated. It has not in fact been signed.

Mr. GREEN: It has been signed?

Mr. MORAN: It has not been signed.

Mr. GREEN: What is the difficulty there?

Mr. MORAN: Well one of the difficulties that has arisen in connection with operations in the South Pacific generally has been the extent of Canadian participation and contribution to the South Pacific Air Transport Council of which we are a member. The Council proposed establishing air navigational facilities in that region. In the view of our representative at the last meeting this might well have been an undertaking of I.C.A.O., the international organization which has been established to govern international aviation generally. We suggested that this was an undertaking for I.C.A.O. rather than for a small group of countries composing a special regional air council.

That incidentally has not led to any difficulties over our own bilateral agreement.

Mr. GREEN: Does I.C.A.O. build those airports in certain cases?

Mr. MORAN: I.C.A.O. does not build airports. I refer to navigational aids. The most recent example is in the North Atlantic where they are taking over the facilities in the Faroe Islands and Greenland.

Mr. GREEN: Well for the time being there is no Canadian service to New Zealand?

Mr. MORAN: No.

Mr. GREEN: When is it expected that that service will start?

Mr. MORAN: I cannot answer that. The Canadian Pacific airlines have the licence from the Canadian government to operate there and it is a matter that will be determined by their own officials when the agreement with New Zealand is concluded. They are now busy carrying out air familiarization flights in the far east and I suppose there is an administrative limit to what can be undertaken at any one time.

Mr. GREEN: They cannot land in New Zealand until that agreement is concluded?

Mr. MORAN: Yes, they could. It is possible to get temporary permits.

Mr. GREEN: What is the position with regard to the North Pacific route, that is around by Alaska and by Japan to China? Have there been any agreements reached in connection with that route?

Mr. MORAN: Yes that route is ready to operate. That is the one that I referred to on which the Canadian Pacific airlines are carrying out their familiarization flights.

Mr. GREEN: What nations have we agreements with in connection with that North Pacific route?

Mr. MORAN: The United States and the United Kingdom.

Mr. GREEN: Would the agreement with the United States cover landing rights in Japan?

Mr. MORAN: Yes.

Mr. GREEN: Has this agreement ever been signed?

Mr. MORAN: No I think perhaps it is loose language referring to them as agreements because what I am discussing is in the case of the United Kingdom for example, landing rights for Canadian Pacific airlines at Hong Kong and similarly with SCAP in Japan, and landing rights from the Chinese Nationalist government in China.

Mr. GREEN: At Shanghai?

Mr. MORAN: Yes.

Mr. GREEN: Well are those landing rights covered by agreements?

Mr. MORAN: You do not have to negotiate a new agreement with a country to take care of each location in which you may wish to exercise landing rights. For instance in the case of the United Kingdom with whom we have a bilateral agreement it would not be necessary to negotiate a new agreement to get landing rights at Hong Kong. You simply make application to the air authorities for traffic rights at Hong Kong and it is granted within the terms of the existing agreement. It is the same with the United States with whom a bilateral agreement now exists. The most recent application under that agreement has been one made by T.C.A. for traffic rights at Tampa and St. Petersburg on their southern run. That has not necessitated a negotiation of a new agreement with the United States but simply an application under the existing agreement for traffic rights in a new and different location.

Mr. GREEN: Does the present Chinese communist regime in China recognize our landing rights at Shanghai and Nanking?

Mr. MORAN: Well CPA would not try to operate into Nanking. All they are doing at the moment is making familiarization flights over their proposed route. No regular service has been inaugurated but I think it would be most unlikely that they would attempt to fly into Nanking, in fact I am sure they would not.

By Mr. Stick:

Have you any further information regarding the negotiations going on with the United States in connection with Gander Airport in Newfoundland? I understand Colonial Airways objected to our flying from Montreal to New York and there was some talk regarding the United States rights to land at Gander.

Mr. HEENEY: The situation there, Mr. Chairman, is that the giving of effect to certain phases of the bilateral negotiations between the United States and Canada was suspended by the action taken in the courts by Colonial Airways. They obtained an injunction in a first court and when that was appealed by the T.C.A. before a three-men court the appeal succeeded. My understanding is that the injunction, and here I speak with some diffidence, the injunction is effective until it is raised by application of some sort. Colonial Airways have announced that they propose to appeal from the three-man court to the Supreme Court of the United States.

By Mr. Green:

What is the position of the United States airlines landing at Gander?—A. They are at the moment operating under a 30-day temporary licence which I think has been extended to the end of November.

Q. Until this matter is cleared up in the United States court?—A. It has been stated by the Canadian government that it was a temporary measure which could not be extended indefinitely unless the United States were in a position to discharge and give effect to the obligations which they themselves undertook in the agreement in question.

Q. Have we got any agreement between us?—A. The present U.S. rights at Gander are enjoyed under an extension of a temporary thirty-day licence. The obligation to provide these rights arose from the agreement. The question now is how long one side can continue to discharge all of its obligations while the other side, through no ill will on the part of the executive, is unable, on account of legal proceedings, to discharge all of the obligations which it undertook.

Mr. McCUSKER: I wonder if all this should be written into the record again? Hon. Mr. Pearson dealt with all this before.

The CHAIRMAN: Yes we should not have repeated discussions on items. Of course all this has to be kept on the record but it should always be on the minds of the members not to repeat themselves.

By Mr. Coldwell:

Q. There is no way that the United States can reciprocate by granting a temporary licence.—A. Not so long as this injunction is in effect.

By Mr. Fleming:

Q. Could we have a report on the extent of the conventions that have now been entered into in recognition of the five international air freedoms?—A. I think I will ask Mr. Moran who is familiar with this subject to answer.

Mr. MORAN: You mean the multilateral agreement?

Q. I understand the minimum was two freedoms out of the five but there was provision made for individual countries who are members of I.C.A.O. to enter into any of the other three, this is my understanding, and Canada had already gone, I think, as far as four. Could we just have a report on the situation in general?

Mr. MORAN: The policy is still to negotiate a bilateral agreement covering only the first four freedoms although the Canadian delegation to the air conference at Geneva two years ago indicated that the fifth freedom would be granted in the event it was included in a multilateral agreement. There were wide difference of views on a number of the articles of the multilateral agreements and one was never negotiated. Thus the Canadian policy remains one in which we negotiate bilateral agreements embracing the first four freedoms. Two exceptions are the United Kingdom and the United States.

Mr. FLEMING: Can you supply a list of the countries with which Canada has entered into these bilateral agreements?

Mr. MORAN: Yes.

Mr. FLEMING: I was just asking Mr. Moran if he would furnish a list of the countries with which Canada has those bilateral agreements covering these additional freedoms of the air.

By Mr. Pinard:

Q. Would this be an appropriate time to ask Mr. Heeney some information about the headquarters of ICAO in Montreal on Dorchester Street. I wonder if Mr. Moran or yourself would give the information.—A. On what particular feature?

Q. I would like to know if the building is completed now and occupied?—A. The building is now occupied by ICAO. At least a portion of the building is now occupied by ICAO under arrangements in which the government made it possible for them to obtain a lease of these premises.

Q. This lease is obtained from whom?—A. The lease is from the Department of Public Works.

Q. To whom?—A. To the international organization, I.C.A.O.

Q. To what extent is the building to be occupied by that organization? Will they occupy the whole building or only a part?—A. I think it is part of the building which is at the present time occupied by that organization.

Mr. COLDWELL: Is there not a TCA office in that building too?

Mr. MORAN: My recollection was that ICAO started out negotiating for certain floors of the building and on making a reconnaissance they found the space they were negotiating for was not adequate to house the whole organization and they made what I think was an arrangement to take over the most of the building.

Mr. COLDWELL: I think the TCA has an office in that building.

By Mr. Pinard:

Q. I would like to know the cost to Canada of that.—A. I have a note here which is on the supplementary estimates. I would like to put it on the record, not the one being considered but one a little later along in the list.

“Vote No. 776—Supplementary Estimates—Amount Required—\$63,927.”

Q. What is the item in the supplementaries?—A. I am looking at the breakdown list that was distributed. I think if I read this note and after that if there is anything further required I shall add to it. The explanation reads:

This supplementary estimate is required in order to supply the International Civil Aviation Organization secretariat with office space in the

New Canadian National Railways building, Montreal, Quebec, at a non-commercial rate. It was decided that the Department of Public Works should lease the space for a term of 20 years and sublet it to I.C.A.O. In the course of negotiations between Public Works and the C.N.R., the price of \$3.25 per sq. ft. was established. The C.N.R. showed their estimates of the cost of the space to be made up of interest on money invested, real estate taxes, amortization and maintenance. The director of the cost of Inspection and Audit Division of the office of the comptroller of the treasury advised that \$2.50 per sq. ft. would be a reasonable estimate of the cost of the space to be leased by I.C.A.O. and that the amount of 75c per sq. ft. should be considered as the difference between a commercial and non-commercial rental. The rent asked by the C.N.R. will therefore result in an annual subsidy of \$63,926.25.

For this sum Parliament is now being asked.

Q. If I may interrupt you at this stage—the C.N.R. is an agency of the government owning the building, is that correct?—A. They have the title.

Q. Did they build this headquarters for ICAO?—A. I am really not in a position to give complete information but my understanding is that the government knew the requirements of ICAO before the building was proceeded with.

Q. My interest is in trying to find out not only the proportion that Canada is paying but what would be the proportion that the other nations are paying towards the cost of the building?—A. There is no proportion of the cost of the building paid by other nations. All of the nations contribute in certain fixed proportions to the budgetary requirements of the organization. The rental that has been established provides for what is really a subsidy. It is an additional facility provided by the government of Canada as, I suppose, the host country. That is the way I understand it.

Q. In fact the building was erected with money of UNO?—A. Oh no. The C.N.R. erected the building.

Q. I have been informed that there were also some private aviation companies who put up some money for the erection of that building.—A. Not to my knowledge, Mr. Chairman.

By Mr. Coldwell:

Q. Are there any private aviation companies renting space on the first floor?—A. They were in there.

Q. Has not the T.C.A. its whole staff in there, the staff they moved from Winnipeg?—A. ICAO have 85,000 square feet of that building under lease.

By Mr. Pinard:

Q. I would like to know more about the erection of that building. I would like to know how it was done, what it cost and who actually built it.—A. I think Mr. Chairman, that these questions might better be addressed to another department. We are not in a position to answer them.

Q. Would I be able to get better information from the Department of Public Works?—A. Or the Department of Transport.

May I complete my statement in regard to this element of subsidy, Mr. Chairman? My statement is directed solely to this question of subsidy. That is our responsibility to provide for this sum in the estimates and I would just like to complete what I was going to say.

In order to provide ICAO with headquarters at a non-commercial rental the Canadian Government has agreed to pay the difference between the amount to be paid by ICAO and that to be received by the C.N.R. annually, on 85,235 sq. ft. at 75c per sq. ft.

The amount being requested as a Supplementary Estimate to cover the above payment is \$63,927.

By Mr. Green:

Q. That will be an annual request?—A. That will be an annual request.

Q. Why should Canada pay that rather than have that sum paid out of the funds of the organization itself?—A. Mr. Chairman, the reasoning is that Canada, as the host country, should make available premises at cost to this international organization situated in Montreal.

Q. Does ICAO levy on the different member nations in order to get the funds with which to build airports?—For example, Vote No. 774 International Civil Aviation Organization \$138,759. That, of course, would only be Canada's share. Why should they not also levy the cost of obtaining a headquarters? Why should Canada subsidize them to the extent of well over a million dollars in twenty years?—A. All that I can say in reply to that question is that the situation generally regarding the headquarters of specialized agencies is that countries in which headquarters are located have made available on more or less favourable terms (in many cases I understand, at considerably greater proportionate cost than is involved in this case) premises for the headquarters of these organizations. It might be said that such arrangements constitute an additional contribution by the country in which the headquarters are located. It is of course argued on the other hand that the presence of an International Organization in the community or in the country does provide considerable material and other advantages to the country that possesses the headquarters.

Q. Of course we pay our share of the rent that is charged against ICAO?—A. Oh yes.

Q. But in addition to that we are paying \$1,260,000 in twenty years just for the privilege of having the headquarters of ICAO in Montreal?—A. That is substantially correct. I might draw to the attention of the committee that the custom has grown up to provide interest free loans for the construction of United Nations buildings. The most striking example of that is the arrangement that has been made in the United States for the headquarters of the UN organization itself under this arrangement, the site was provided privately by a foundation and the money for the construction was provided through an interest free loan to the United Nations. There are other examples I could give, notably the Swiss.

Q. That is a loan that the Americans made?—A. That is an interest-free loan. In our case we are subsidizing to the extent of \$1,260,000 the housing of that organization in a twenty year period.

Mr. McNAUGHTON: Mr. Chairman, that is only a part of the picture; \$67,000 a year or \$1,260,000 in twenty years is almost immaterial in proportion to the prestige and importance given to this country by the fact of having the headquarters of that organization established here in Canada.

By Mr. Green:

Q. Would they not have come to Canada if they had not been subsidized to that extent?—A. One cannot answer yes or no to that question. There was on one hand a desire to have them and on the other hand a desire on their part to come. At one time it looked as though they were going to go elsewhere. It was by no means certain that ICAO would agree to remain. It was generally felt that it was in the interest of Canada that the headquarters should remain in this country and it did.

By Mr. Fleming:

Q. I would be interested if Mr. Heeney would elaborate on what he hinted at in regard to other examples—a moment ago he suggested other examples could be given.—A. Mr. Chairman, I could provide the committee at its next meeting with a list of the arrangements that are made by host countries comparable to this provision of a building for the ICAO. It is certainly my

impression that the element of subsidy here in respect of headquarters premises is by no means disproportionate to what has been done in other countries to provide space and facilities for other organizations of an international character particularly specialized agencies of the United Nations.

Q. Perhaps Mr. Heeney could bring that to the next meeting.

The CHAIRMAN: We are not discussing Item 58. That discussion should come when we come to Vote 776 to provide the International Civil Aviation Organization with office accommodation at cost.

By Mr. Fraser:

Q. While we are on this item. During the time the International Labour Office was a guest of Canada, did we subsidize a building for them?—A. As Mr. Fraser is no doubt aware, the I.L.O. headquarters were temporarily in Montreal. They are now returned to Switzerland.

Q. Did we pay for the building when they were here?—A. I am not able to answer that question from memory.

Mr. FLEMING: That may be included in the statement that Mr. Heeney is going to bring to another meeting.

By Mr. Fournier:

Q. What percentage of the whole cost does this \$63,000 represent?—A. Of the total cost of the building?

Q. What is the total cost, for rent purposes?—A. That would require a calculation which I am afraid I cannot make in my head. The non-commercial cost per square foot is estimated at \$2.50; the rate which the C.N.R. is charging is \$3.25 which includes the other elements.

Q. Per square foot?—A. Yes.

By Mr. McCusker:

Q. What are the other elements?—A. The other elements are interest on capital invested—the C.N.R. showed an estimate of the cost of the space based on the interest on the amount invested, real estate taxes, and maintenance.

Q. Does that bring it up to \$2.50? Would not the \$2.50 cover that?—A. No. Those elements are included in the \$3.25 but not in the \$2.50. \$2.50 is the cost excluding those items.

By Mr. Fournier:

Q. You have not got the total cost?—A. No.

Q. You say when you pay \$63,000 that it represents a balance. I would like to know what percentage is represented by the \$63,000?—A. I do not think I have all the elements here to make the calculation unless it is true that the 85,000 odd feet is the whole building.

Q. I am not talking about the footage. I would like to know what percentage the \$63,000 represents of the total amount for the rent?—A. Of the amount for the rent of the whole building?

Q. We have to pay \$63,000?—A. Yes.

Q. We have undertaken that payment and, although you may not be prepared to give the answer today, I would like to have it tomorrow or at another convenient time.—A. Mr. Moran will take a pencil and figure it out.

Q. We can wait. It is not necessary to do it now.

The CHAIRMAN: Will the item carry, subject to the further information to be provided?

Carried.

Mr. McCUSKER: The figure which Mr. Fournier wants is an application of a ratio of ten to three.

By Mr. Green:

Q. Is this a set figure for the whole twenty years or will there be an increase in the amount before the twenty years has expired?—A. This covers the whole period of the lease.

Q. The lease is for twenty years?—A. Yes.

Mr. PINARD: Your department is asking for \$22,300 for expenses of the Canadian delegation. Where does the delegation meet, generally?

The WITNESS: That is for the staff of the delegation in Montreal—Mr. Booth and his subordinate staff.

The CHAIRMAN: Item 59.

Mr. GREEN: According to the statement filed by the Under Secretary \$651.56 was spent under a similar item last year. Can he explain how the expenditures were made up?

The CHAIRMAN: Is that under item 58?

By Mr. Green:

Q. No, under 59.—A. That was an over estimate, Mr. Chairman. The cost involved—travelling expenses and cost of meetings of the Permanent Joint Board were reckoned to be greater than they actually were. The reason for the difference between the actual expenditure in the last fiscal year and the amount asked this year is that we are unable to make any precise forecast of where the Board will meet, how often, and consequently what exact expenses will be required.

Q. All amounts spent in the last fiscal year were for travelling expenses?—A. Travelling and hotel expenses for the delegation.

Q. How large is the delegation?—A. There is a chairman on each side; there is a member from each of the services on each side, a secretary from the Department of State and one from the Department of External Affairs. There are also sometimes advisers and experts.

Mr. STICK: This represents only external affairs expenditure and not defence expenditure?

The WITNESS: No, that is expense of the Board. I am informed this represents travelling expenses of all Canadian members of the Board. It may be that the expenses of military members is reduced by their having railway warrants or something of that sort, but the item represents the cost of the meetings.

By Mr. Green:

Q. How many times has the Board met during this calendar year?—A. I have not got those figures with me but, normally, they meet once every three months or so.

Q. I will tell you why I am asking these questions. As I understand it this is the body which is primarily responsible for the co-ordination of the American and Canadian defence efforts in the north and I am just wondering whether the Board has been allowed to become more or less of a formality, and whether it actually assumes any responsibility. I hope I am wrong in that but it would appear that they are not having a great deal to do although the situation is such that somebody should be doing a good deal of planning about this joint defence. I have here an issue of November 18 of U.S. News and World Report. The heading is "Alaska—another Pearl Harbor? An interview with Ernest Gruen-

ing, Governor of Alaska. Defences called so weak that two divisions of paratroops could take all—Five million Russians have settled across strait from Alaska's 100,000—Economic upbuilding of Territory is held vital need."

The governor points out that factories are being moved from the United States west coast for fear of bombing from Siberia and across the Bering strait. For example he says a large portion of the famous Boeing plant is being moved from Seattle to Kansas; another plant is being moved from southern California to Texas. I had no idea that the situation was so serious. I also see by yesterday's press that the United States is spending \$180,000,000 on Alaskan construction in the next year, largely for defence measures. Canada is just as much concerned over anything that happens in Alaska as is the United States. I am just wondering whether this Joint Defence Board is the organization which does the planning in connection with this problem? Certainly they do not seem to be active enough, judging by this estimate, to do much more than hold reunions every three or four months.—A. If the committee will permit me I would like to make an observation from the point of view of external affairs which is a department that is very intimately connected with the Department of National Defence in such relationships as these mentioned. I think the committee is aware that the permanent Joint Defence Board is not an executive body but that it is a body for submitting recommendations and advice in the field of Canadian-United States defence. It is certainly not the only agency involved in joint defence planning. There are direct contacts not only between the Chiefs of Staff of the two countries but between the actual executive planners of the defence departments of the two countries—the defence forces of the two countries. I am only entitled to speak of our end but the Board is not a planning body as such at all. The number of meetings which it holds would not be in any sense an accurate reflection of the extent of planning that is taking place jointly between Canada and the United States.

Q. Take such questions as the construction of a railway through northern British Columbia and the Yukon to Alaska. Would the Permanent Joint Board have anything to do with considering such a plan? The Americans, of course, have been talking a great deal about it and passed a bill through Congress the other day. Would that matter come under the jurisdiction of this Joint Board?—A. It might. It is largely a question of the choice of the President of the United States and of the government of Canada of what type of proposals come before the Joint Board on Defence. The procedure is that questions which will form the subject of discussion are settled in advance between the two sections of the Board. The subjects mentioned by Mr. Green might be the subject of recommendations but that would not mean that the Permanent Joint Board would do the actual planning. That is the point I am trying to make.

Q. Is the Under Secretary free to say what type of problems are referred to this Board?—A. I might give one or two examples which I think have been made public. I think it was last year that the Prime Minister announced a set of principles for co-operation in defence matters between Canada and the United States—such matters as the exchange of officers between the two countries, for training, the mutual use of facilities, the principles which would apply in the taking of equipment over the border and the use of facilities by Canadian troops in the United States and United States troops in Canada. I have forgotten the date of the announcement but I could get it. It covered that type of thing. A great deal of material that comes before the Board is of a security nature and I am not at liberty to mention it but I believe that publicity has been given to the items I have mentioned.

Mr. STICK: It would be questions of principle?

The WITNESS: Yes, they are broad questions of principle that come before the Board; they do not get into much detail although they have the reports of the activities of the planners.

By Mr. Green:

Q. The defence forces make the plans?—A. That is right.

Q. This is just a sort of reviewing body?—A. They do act as a reviewing body but they also have the right to initiate although they initiate in a broad general way and not by the preparation of precise plans.

Mr. FLEMING: Who are the present members?

The WITNESS: The Canadian chairman is General A. G. L. McNaughton; the acting chairman on the American side is Major General Guy V. Henry. The Canadian members are: Rear Admiral F. L. Houghton, Vice Chief of the Naval Staff; Air Vice Marshal A. L. James, Air Member for Air Plans; Major General H. D. Graham, Vice Chief of the General Staff; Mr. C. C. Eberts, from the Department of External Affairs, the Canadian secretary. The other members on the United States side, in addition to General Henry are: Major General C. L. Bolte, United States Army; Rear Admiral Ruthven E. Libby, United States Navy Department; Major General J. R. L. Walsh, United States Air Force, and Mr. William T. Snow, Department of the Secretary of State, the joint U.S. secretary.

Mr. BAKER: I am beginning to think that this Board acts only in an advisory capacity. Am I correct in that?

The WITNESS: That is correct.

Mr. GREEN: They are really not functioning to the same extent that they were during the war. At that time they made a great many important decisions I believe?

The WITNESS: They made a great many recommendations. The Board's first years were very active. My impression is that this last year has also been quite an active one although the actual number of meetings may not have been very great. The members do correspond directly with one another and are recognized by our two governments as being an additional channel of communication. The chairmen can correspond with one another regarding the initiation of projects and the service members, in addition, have the custom of corresponding with one another.

The CHAIRMAN: Shall item 59 carry?

Carried.

Item 60.

Mr. MACINNIS: Has the department had a request for a larger grant this year?

The WITNESS: It is my impression that the department has had no formal request but there was evidence that the organization would welcome more money.

Mr. CROLL: My recollection is that last year when this United Nations Society was discussed there was the fervent hope held out that more money might be forthcoming to assist in the work. Has the matter been given that sort of serious consideration?

The WITNESS: Yes, the department has considered it. When I said that the United Nations Society has not made a formal request for more money I believe I am correct; nevertheless, I have no doubt they would welcome more if the government could see its way clear to authorize it. However, the grant has been fixed at \$5,000 and that is what is being asked. However, I would like to draw the attention of the committee to the fact that the Department has been able to help the Society in a number of other ways. We are most anxious to help and have done so in quite material ways. One item that I recall is in connection with the distribution of the departmental bulletin. We were able, from our own departmental finances, to provide the Society with the "External

Affairs" at less than cost. That is quite an advantage to them because if that had not been possible they would have had to increase their membership fee by 50 cents or 75 cents.

Mr. FLEMING: It would have been necessary for them to abandon one of their own publications.

The WITNESS: Well it enabled them to change the nature of the Society's own bulletin. They no longer need to include the kind of official statements which the department releases in its monthly publication.

Mr. GRAYDON: Some of us have had an opportunity to observe the very splendid work that is being done by this Society in the field in which they operate in Canada. I would hope that the Under Secretary might take into consideration and review the matter during the coming year to see if perhaps some special consideration could not be given to increasing the grants to this Society. It performs a more useful service than some members really believe. It has not had the advantage of large scale publicity on its work and, when an organization has not that advantage, it is sometimes apt to be forgotten in claims for benefits or votes of money from the government. I happen to know of some of the splendid work that is being done by the Society and perhaps the Under Secretary in the next year could find time to review the situation with the officials of the Society. If it is found that it performs the service that we think it does perhaps we can look for some additional help.

Mr. FLEMING: As a former secretary of the Toronto branch of this organization I can say that there has never been a time when the worthy work of the Society has not been hampered by lack of funds.

Mr. FOURNIER: I do not belong to the Society but I have heard much about it and I would favour something being done.

The CHAIRMAN: I am sure that Mr. Heeney realizes the feeling of the committee on that score.

Mr. FOURNIER: Perhaps some mention of the matter should be made when the committee makes its report.

Mr. GREEN: The suggestion has also been made that in some cities the government might make office space available to the Society. I know that it had great difficulty in finding accommodation in Vancouver and I am wondering whether recommendations of that kind have been considered by the government.

The WITNESS: It is not for me to say what the government might do or be willing to do in this matter. However I would not be stepping outside of my proper role if I were to say that as far as the department is concerned—and I am sure that I speak for my Minister as well—the services performed by the United Nations Society are held in very high regard. General Burns, chairman of the administrative committee and Miss Bowlby, the general secretary of the Society stationed in Ottawa, asked me to a meeting the other day, convened by the Society, of voluntary organizations throughout Canada to consider better means for spreading information concerning the United Nations throughout Canada. I was very glad to accept, and to say there to all those people that we enjoy excellent relations with the organization and that we attach great importance to their work; further that we were very glad to be able to give the kind of co-operation that we have been giving and do give every day. I would like the committee to know that. Although the grant may not be as large as some members may feel it should be the amount is not the measure of support which the department has given to the Society. There are a great many things which can be done the measure of which is not financial.

By Mr. Croll:

Q. You have consulted with the executive about this grant and have thoroughly canvassed the field with them?—A. Yes, we have consulted with them.

Q. Are they fairly happy?—A. I do not like to speak for them but I can certainly say they are happy or they feel that they are getting good co-operation from the Department of External Affairs.

Q. I would agree with you there, but are they happy about the grant?

Mr. GRAYDON: There is a possibility of making them somewhat happier, no doubt?

The CHAIRMAN: Would the members be in favour of a recommendation of an increased amount?

Some Hon. MEMBERS: Hear, hear.

Mr. FOURNIER: Do we have to make a motion?

The CHAIRMAN: We can make a recommendation.

Mr. GREEN: What about office accommodation?

The WITNESS: We have no office accommodation available as a department in Vancouver, but I would be very glad to consult with other departments which have space there. That is the kind of thing we would be glad to attempt.

The CHAIRMAN: I suppose we could have a lot of discussion on this matter, but likewise we must remember there might be requests from other organizations.

Mr. FOURNIER: If we had plenty of time we might call the president to testify about their operations but, of course, we have not the time for that.

Mr. FLEMING: Any recommendation from this committee would have to be that the government give consideration to the matter. It would not be proper for us now to mention any amount. I would suggest that we ask our secretary to prepare, as part of our report, a recommendation that the government give consideration to an increase in this grant.

The CHAIRMAN: Shall the item carry?

Carried.

Item 61?

Mr. GRAYDON: Before we go on with that item I wish to deal with the end of section (a) of item 60—representation abroad. I wish to take this opportunity, Mr. Chairman, following the discussion which took place yesterday at the close of our meeting, to move formally that this committee call the Honourable T. C. Davis, Canadian ambassador to China before this committee for the purpose of giving a factual review of conditions as they presently exist in the country to which he has been appointed ambassador.

Mr. HARRIS: As I undertook to do yesterday, I have consulted the Minister on the subject and I have also looked up the record of what he said two or three days ago. He made two points in reference to the subject and one of them I detailed yesterday—the inconvenience that might be caused to the ambassador. The second thing which I had forgotten yesterday is that if he did come it would probably require discussion off the record. That thought is included in the final words of Mr. Pearson two days ago.

I explained to the minister what was said on the matter here and the minister agrees with me that, under the present circumstances in China it would not be desirable to have Mr. Davis called before the committee. He also agrees with me on what I said yesterday that the principle involved—the general principle of whether it would be desirable for this committee to call ambassadors and other persons—will be considered between the end of this session and the beginning of the next session so that there may be a clear understanding before the next committee meets as to what we can or should do. I do not think I can make my position any clearer than that. I am opposed to the motion.

Mr. FLEMING: As I understand the motion which Mr. Graydon is moving, it is that Mr. Davis be called to give factual information and not that he be

questioned on any matters of government policy. It seems to me that on that basis the motion is deserving of our support.

It may not be long before parliament is called upon to make a very vital decision on this question of the Peking regime. If parliament has to make a decision on such an important matter it is desirable that parliament should have as much information as is available. There is a certain amount of information available now but Mr. Davis is in a unique position to give factual information to a parliamentary body. As long as this committee refrains scrupulously from asking questions in relation to government policy it seems to me that there is no body that has a higher claim to that factual information than this External Affairs Committee of the House of Commons.

I hope the Committee will pass this resolution.

Mr. FOURNIER: Mr. Chairman, I speak only for myself, but I am opposed to this to the last ditch. I do not think we should create a precedent and call an ambassador and put him on the grille. If you do not want to ask him any questions what is it that you want from him?

Mr. FLEMING: I was referring to questions on public policy.

Mr. FOURNIER: You can obtain that information from the minister, the deputy minister, or the other officers. In the light of the position these people hold in the world I say that it is not in order for them to talk. The moment they do talk they have lost their prestige and they have lost everything. They are posted abroad to work in silence and I will oppose the motion to the last ditch.

Mr. HANSELL: Might I ask if Mr. Heeney can enlighten us as to whether in the United States, for instance, or in Great Britain, they have ever had any of their ambassadors or legates appear before any of their foreign relations committees.

The WITNESS: As I understand it, in the United States the answer is yes, but in the United Kingdom the answer is no; in Britain they have no committee of the same character on foreign affairs.

Mr. FOURNIER: May I ask Mr. Heeney whether those people are called by permission of the committee or permission of the government? Is it enough that the committee invites them, without requiring the permission of the government?

Mr. CROLL: In the United States they can be subpoenaed by the committee. It is a different form of government and the only form of government you can contrast with ours is the British government. In the United States committees form government policy but here the government forms policy and committees recommend.

Mr. HANSELL: In answer to Mr. Croll, I do not think that is the point in question. The point in question is whether it would affect an ambassador in his work—whether it would lower his prestige? If it would not do so in the United States I do not see how it can do so here. As I said yesterday, in answer to Mr. Harris, I am not going to press for Mr. Davis if we can have another official give the same picture. At the same time, I think I will have to vote for the motion.

Mr. COTE: Even if the motion carries unanimously I suggest that we cannot have any ambassador here if the minister responsible for external affairs says no. As Mr. Croll has pointed out, the committee, and even the House, is not directing policy. It is the government that directs policy. The government submits its policy to parliament and it may be then referred to a committee. We may realize the policy of the government but we have no jurisdiction at all either in this committee or in the House on the formulation of policy.

As I understood the minister's statement, the policy of the Canadian government is in the process of being established but has not yet been decided. The

ambassador may be in Ottawa for that very purpose. The government may have to put forward entirely new proposals before policy is established but, I think it is altogether uncalled for to have the ambassador before this committee and put in a position where he must answer our questions.

Mr. HARRIS: I forgot to cover Mr. Hansell's request of yesterday. I gave him the assurance that the head of the Far Eastern Division of External Affairs would be available to give any information that is desired. I should say that the head of that department and the deputy minister are in receipt of all the information which the ambassador to China has obtained in that country. He has forwarded that information in the form of reports and any question which you can ask the Ambassador can be asked of the deputy minister here today.

Mr. MACINNIS: I do not suppose that there is anything I need to say except in regard to the point made by Mr. Fleming that we need factual information because we have to make a decision on policy. Parliament will not be called upon to make a decision of policy in connection with recognition of the new Chinese government; that will be done by the government. If parliament does not approve it will be a parliamentary problem but nothing we can find out from Mr. Davis in the way of factual information would be of any assistance in a decision of policy because we have not got to make that decision. It should be remembered that Mr. Davis is here because of the conditions that exist in China and I do not think that the minister would allow him, nor would he come here, to make any submissions that might be instrumental in making his return to China less effective than it might otherwise be.

Mr. PICARD: I think if we adopted that motion it might have far reaching consequences. Not only might Mr. Davis be called here but all other ambassadors who are in Ottawa at any time may be called. We are opening the door to something very unusual in procedure. I think we have to make up our minds first whether we need him to help us arrive at a conclusion or make a recommendation. We have the responsible officers of the department at our disposal and they should be enough to allow us to be informed on the matter. I do not think an ambassador should be encouraged to talk. I remember Mr. King at one time answering a question as to why the Governor General did not open more hospitals and make more speeches. Mr. King replied that the less the Governor General speaks the better. I think that applies to any ambassador; and most ambassadors who have made statements of their own while on leave or after they have left have caused more harm than good. As a matter of principle I think he should not be called upon to express opinions. It is quite hard for the man to come here and say he will set his own opinion apart from departmental views. So I think as a matter of general principle we should be opposed to asking an ambassador to come here, and we should ask all the information we can from the responsible officers of the department on questions of policy as well as on any report that may come from the ambassador.

Mr. STICK: It is a question of policy. I do not see how the government can form a policy as long as the situation is as fluid as it is, and until the situation becomes stabilized how can they form a policy. If we are to get an ambassador here to help us form a policy—if I were in his place I wouldn't come.

Mr. FLEMING: I will read a passage from Mr. Pearson's evidence before this committee on November 18th. Nobody suggested that the committee is going to form any policy, but at some time or other parliament is going to have to pass judgment in approval or disapproval of the policy the government is going to announce some time soon. I am going to read from page 24 of the minutes of proceedings of Friday, November 18, 1949. I asked this question.

Is it the government's intention, if they decide to recognize the communist government at Peking, to do so without consulting Parliament, or is it their intention to consult Parliament first?

Hon. Mr. PEARSON: I have no idea. But if Parliament is not sitting, and Canada seems to be required, if there is an agreement among a lot of countries to take action at a certain time, the government might find it necessary to take that action. But, if Parliament is sitting, I should think they would, at least, want to inform Parliament of what they were contemplating.

Mr. HARRIS: Read the next two questions.

Mr. FLEMING: But not necessarily to seek the approval of Parliament before extending recognition?

Hon. Mr. PEARSON: I do not know whether the government would feel it necessary or desirable to have Parliamentary approval before a step of that kind.

And then there are questions asked about the customs elsewhere. My point is this. Mr. MacInnis has assumed in what he had to say that Parliament is not going to be consulted. Certainly the evidence of the minister does not bear that out at all.

Mr. MACINNIS: I know Parliament just as well as the minister.

Mr. FLEMING: Some time or other, perhaps not at this session, but very soon in the new year, certainly before this committee may meet on this subject again, some declaration of policy will be made and surely Parliament ought not to be denied or this committee ought not to be denied factual information.

Mr. FOURNIER: You can have it from another source.

Mr. FLEMING: Yes, but it is not the same thing at all.

Mr. DICKEY: There is no suggestion that there is any denial of factual information. It has been stated that all the information will be available to this committee and it is not a question of whether this committee can make policy or not. The question is, from whom are we going to get the information. Now I am fairly in agreement with the proposition that it is improper to call before this committee an ambassador at present in this country who is still accredited to another country and ask him to give us a statement about conditions in that country.

Mr. CROLL: I can think of no more embarrassing position to be in than to have Mr. Davis come before us and find he cannot answer the questions we ask him or have him saying "I cannot speak about this and that." As a result we would be very disappointed and he would be very unhappy and none of us would be content. Actually the case is well presented now. We can have all the information we want from the proper officials and I do not think that Mr. Davis can add anything to what they have already said. As far as recognition is concerned that is the responsibility of the government. Certainly if Parliament is sitting the information will be conveyed to Parliament that this is the course of action to take, but, if on the other hand, the powers have agreed that they will simultaneously make an announcement, then the announcement is made in the light of the arrangement. It is made by the United States and other countries simultaneously. It seems to me we are asking a little too much of the department. I do not like to be in a position where we deny anyone anything but under the present circumstances Mr. Graydon, who has always made good contributions to this committee, should not press this motion because I think it will be embarrassing to us at some other time when another occasion may arise when we do want to have some one in that sort of a position come here and find that at one time we voted against it. Perhaps Mr. Graydon would reconsider and withdraw his motion.

Mr. McCUSKER: Just to set the record right, Mr. Fleming made the statement that we could obtain the information that is required from the officers of the department rather than from calling the ambassador and some one said "Yes, but it would not be the same information."

Mr. FLEMING: I said it is not the same thing at all.

Mr. McCUSKER: I would like to get that record correct because I think that is a pretty bad thing to go out.

Mr. FLEMING: I did not say that. I said it is not the same thing getting this information or certain information secondhand as being able to ask a man who has firsthand information, because it is not reasonable to expect that a man who is giving information second or thirdhand has all the information.

Mr. McCUSKER: I will accept that explanation now that he has explained the statement, but the statement did sound a little startling.

Mr. COTE: Do you think it would be proper for this committee to look into the diplomatic valise of any of our ambassadors? It is still worse to ask an ambassador to come here. I suggest, Mr. Chairman, that our good friend withdraw his motion.

Mr. McNAUGHTON: I suppose we are all pretty much attracted from time to time by the antics of the American committee method but until such time as those methods have been proved superior to the English system I think, inasmuch as we have the English political system, we should follow English political system lines, and I think it is most improper to bring the ambassador before a committee like this.

By Mr. Hansell:

Q. How long has Mr. Davis been in China?—A. Something over two years, Mr. Chairman.

Q. That might alter the picture a little as far as I am concerned because I think the information we want to get, the entire picture, would perhaps involve a longer period of history than just two years. I am not particularly enthusiastic about this motion as long as we can get the information from a top ranking official.

Mr. BATER: As a new member of this committee I would like to go on record and say that after reading an article in Maclean's magazine containing an interview between Mr. Pearson and two representatives of that magazine, and after listening to the minister in the House and in this committee, and after listening to the deputy minister, I do not think we would be fair in asking our ambassador to China to come before this committee. I do not think there is a country in the whole world where the people are better informed by the department on matters of this kind than they are right here through this committee.

The CHAIRMAN: Is there any further discussion on this subject?

It was moved by Mr. Graydon and seconded by Mr. Fraser that the ambassador to China, the Honourable Mr. Davis, should be called to appear before the committee on External Affairs to give factual information on present day conditions in China. Is that correct? Those in favour will signify in the usual manner by raising their hands. Against?

I declare the resolution lost.

Mr. Heeney will give more information about a question asked by Mr. Fleming.

The WITNESS: Mr. Fleming inquired if a list of the countries with whom Canada had bilateral air agreements could be put on the record. I will read the list.

Third and Fourth Freedom Agreements with Belgium, Netherlands, Sweden, Portugal, Ireland, and Australia. The agreement with the Netherlands provides for fifth freedom but the exercise of this freedom is limited by an exchange of notes. In respect of Australia negotiations are at present under way to amend this agreement to provide fifth freedom rights for C.P.A. Fifth freedom agreements, with the United States and the United Kingdom. The following agreements are under negotiation: with New Zealand, Cuba, Brazil, Denmark,

Norway and Iceland. The New Zealand agreement, the Denmark agreement and the Norway agreement are expected to be concluded shortly.

The CHAIRMAN: Shall Item No. 61 carry?

Carried.

Item No. 62?

Carried.

Item No. 63?

Carried.

Item No. 64?

Mr. FLEMING: I want to ask a question about the Interallied Reparations Agency.

The CHAIRMAN: That is on No. 63 but you can ask it.

By Mr. Fleming:

Q. I would like to know something about the work they are doing now.

The CHAIRMAN: We are talking on Item 63.

Mr. LEGER: That is labour. That is not the one Mr. Fleming wants to talk about.

The CHAIRMAN: That is Item 63, International Labour Organizations. Does that item carry?

Carried.

Item No. 64, United Nations Educational, Scientific, and Cultural Organization. Shall that item carry?

Mr. DICKEY: Is there any Canadian set-up under that organization at the present time?

The WITNESS: Are you speaking of UNESCO?

Mr. DICKEY: Yes.

The WITNESS: Mr. Dickey may have in mind the establishment of a Canadian national commission for the purposes of UNESCO. No, there is no commission established. The question whether or not one should be established is presently under review by the Royal Commission known as the Massey Commission.

By Mr. Dickey:

Q. What does that \$306,000 cover; is there any provision in that for possible organization?—A. No, that is our contribution to the Organization itself.

By Mr. Hansell:

Q. Does this organization put out an annual report or any literature that we could study?—A. Oh, yes, a great deal.

Q. I do not recall any of it coming to my desk.—A. We would be glad to supply the members with any literature and pamphlets we have.

Q. I notice there is almost three times as much money for this organization as there is for the World Health Organization and it seems to me that there is a little over-balance there and I am not quite satisfied in my own mind that the relationship is justified. However, I will not ask any more questions, I will wait until I study the organization a little more.

Mr. FLEMING: The matter I was asking about is apparently not carried forward. It appears in a sheet submitted by the department to us. Would Mr. Heeney mind just telling us the explanation? Is the work of that organization completed and is the organization liquidated?

The WITNESS: Yes, I know the agency you mean—the Interallied Reparations Agency. I understand their work is substantially finished, but there is no budget in for continuing or residual work.

Mr. MORAN: The organization is still continuing. Its work, as Mr. Heeny has pointed out, is virtually completed. About one and a half years ago Colonel MacPherson, who was the Canadian representative on I.A.R.A., was recalled and Mr. Thurroit now attends any meetings. He is a secretary in the Brussels embassy. The budget for continuing work was not prepared in time to enable the Canadian contribution to be shown in here; but we will undoubtedly have continuing expenses for the work of the agency. Its main task now is considering the disposition of plants that have been earmarked for reparations in Germany. As a number of members know the list of these plants and equipment was circulated to all the member countries, who in turn advertised them in their own countries, and those who wished to bid were asked to register what was described as an "interest." No Canadian firm or individual recorded any interest in any of the plants that were marked by the agency for demobilization.

Mr. CROLL: You mean dismantling when you speak of demobilization, do you not? They do not belong to the army.

Mr. MORAN: Yes, although I have never confined that word to the army. It was a demobilization plan for German industry. Certain plants were marked for dismantling such as the Krupp works at Essen, for example.

Mr. CROLL: We have had no share in the dismantling that has been carried on by the United States and Great Britain in the main.

Mr. HEENEY: The occupation authorities, yes.

Mr. CROLL: Not only by the authorities; I mean by the personnel.

Mr. HEENEY: There have been no Canadians employed in that.

Mr. FLEMING: I take it from what Mr. Moran has said there may be an appropriation later for this present fiscal year.

Mr. MORAN: Yes.

Mr. FLEMING: Will that come forward in a further supplementary estimate?

Mr. MORAN: It would have to come in the final supplementary unless it were obtained next fiscal year.

The CHAIRMAN: Shall item 64 carry?

Mr. FLEMING: There may be some questions on UNESCO. That is a very big item. I would like to ask some questions about the budgeting on UNESCO and how our Canadian proportion is arrived at. I am aware, of course, of the fact that many other nations are members of the United Nations who are not members of UNESCO, and we had some discussion yesterday as to what seems to be the high proportion charged to Canada. I wonder if some of the same observations may not apply to this very considerable item.

The WITNESS: I can give some fuller information to the committee if the committee wishes.

Mr. FLEMING: If it is not complete let us adjourn now.

Mr. CROLL: UNESCO will be a matter for some discussion and I think we had better have the complete information before we start it.

The CHAIRMAN: Could we leave UNESCO now?

Mr. FLEMING: Yes. It is 5.30; do you intend to adjourn, Mr. Chairman?

The CHAIRMAN: I think Mr. Heeny had better make a full statement tomorrow or tonight, and we will let that item stand for the present. We are now on item 64. Shall item 64 carry?

Carried.

Item No. 65—World Health Organization?

Carried.

Mr. FLEMING: I wanted to ask some questions about the World Health Organization. The same kind of questions as about UNESCO.

Mr. HARRIS: Mr. Chairman, let us hope we can finish in one more meeting and let us arrange matters so that we can; but let us get it done this week, for reasons which I think will be understandable to everyone. I understand Mr. Menzies, the head of the American and Far Eastern Division, is available. If we work for the remainder of the time from now till 6 o'clock, we could clear up every other question except the UNESCO question and so on.

The CHAIRMAN: Then we could leave aside item 65 for the moment.

Mr. MACINNIS: Item 64.

The CHAIRMAN: That is understood. UNESCO is understood; but Mr. Fleming wants some questions to be answered on item 65, so we will leave item 65.

Item 66?

Carried.

Item 67?

By Mr. Green:

Q. Will the Under Secretary explain this?—A. The Commonwealth Economic Committee?

Q. Yes.—A. The Commonwealth Economic Committee is the continuation of the old Imperial Economic Committee. It is for all practical purposes now a group for the exchange of information and statistics. That about represents the whole of its present activity. I think it became the Commonwealth Economic Committee in 1933, when it took on some of the studies the Empire Marketing Board used to conduct.

Q. Is it connected in any way with the committee that is carrying on the Canada-United Kingdom economic discussions?—A. No.

By Mr. Croll:

Q. What is it for?—A. It is really an office for the provision of statistical information, and is engaged on studies of trade matters.

By Mr. Fleming:

Q. Is this a contribution to the budget of the committee or is this just an expense incurred here in connection with the work of the committee?—A. It is the expense involved in the maintenance of a small staff located in London.

Q. What other information have you about that committee?—A. I have not further information with me.

The CHAIRMAN: We will leave it aside now and go to item 68, the Commonwealth Shipping Committee.

By Mr. Green:

Q. Could we have an explanation of that item also?—A. The Commonwealth Shipping Committee—I have a statement here which I might put on the record.

The Imperial Shipping Committee was first formed in 1920 to conduct inquiries into empire shipping problems as requested by member governments or by their representatives on the committee. The committee consists of representatives of the governments of the United Kingdom (colonial office), Canada, Australia, India, New Zealand, South Africa and Southern Rhodesia, and of private members representing manufacturers, merchants, ship owners, and civil aviation operators.

The Committee was dormant during the war but resumed activities early in 1946, taking up an inquiry into West Indies shipping and air transport facilities which it had commenced before the war. A report on West Indies shipping has now been issued.

The name has been changed to Commonwealth Shipping Committee.

Canada's financial contribution to the committee for 1947-48 (to the end of March 31, 1948) amounted to £320. We have agreed to the suggestion that, in view of the committee's strong financial position, members should pay only half the normal subscription for each of the periods 1948-49 and 1949-50.

Mr. GREEN: Has it any connection with the discussions taking place in Ottawa now concerning the shipping situation?

The WITNESS: None whatever.

The CHAIRMAN: Item 69? International Joint Commission.

Mr. FRASER: Is this where Mr. Glen is?

The WITNESS: Yes.

Mr. GREEN: On this item I received a copy of the resolution passed by the Engineering Institute of Canada. The heart of the resolution is that Canada has not got adequate representation on that joint commission. It seems to me this is a very responsible body making the representations and there are a great many engineering problems being decided by this commission. I would think there is some merit in the recommendations and could the deputy minister tell us just what the situation is?

The WITNESS: Representations, or a resolution—no doubt the same one that Mr. Green is speaking of—was received by the government. I think the government replied that consideration was being given to the matter of an appointment.

Mr. GREEN: What representation have we on the commission?

Mr. FRASER: Could Mr. Heeney give us the list of all those on the committee?

The WITNESS: The list of members?

Mr. FRASER: Yes.

The WITNESS: The Canadian section consists of two commissioners, Mr. George Spence and the Honourable James Allison Glen. The secretary of the Canadian section is Miss E. M. Sutherland. Four commissioners are required for a quorum. The present vacancy was created as the result of the death of the Honourable Joseph E. Perrault which occurred on June 15, 1948.

Mr. FOURNIER: He has not been replaced?

Mr. FLEMING: The vacancy has existed for a year and a half.

Mr. GREEN: This is really a very important matter. This commission is now considering some very extensive developments in western Canada. I know in British Columbia they are considering, or about to consider making a large water storage basin out of the Arrow lakes which are part of the Columbia river. The resolution submitted by the Engineering Institute points out that the Americans have a full representation and a proper number of scientific or engineering men. It does seem to me that Canada should be in the same position and not treat this as simply another commission. They deal primarily with engineering problems and I do not understand why we have not got engineers on the commission.

The WITNESS: Mr. Chairman I might say, if it is appropriate for an official to do so, that this matter is receiving active consideration and it is hoped that it will not be very long before an appointment is made. The factors which Mr. Green has mentioned are being taken into account.

Mr. MACINNIS: I wish to associate myself with the remarks made by Mr. Green. This joint commission, if it is to do the work that it is supposed to do—

particularly in western Canada—should have men of the capacity necessary and the training necessary to deal with the particular type of work.

Mr. McCUSKER: I may say in that respect that Mr. Spence has probably a wider knowledge of water conditions in western Canada, and international streams in western Canada, than probably anyone else in this country. He has spent a great part of his life in this work.

Mr. CROLL: Is he an engineer?

Mr. McCUSKER: No, but they have had available to them the information of the P.F.R.A. engineers. They have a large engineering body there from which to draw that information.

Might I ask if the personnel of the American part of this commission is any larger than ours?

Mr. FLEMING: There are three members each.

The WITNESS: Senator A. O. Stanley, chairman; Mr. R. B. McWhorter, and Mr. Eugene W. Weber.

Mr. GREEN: The resolution here says that the United States section of the commission is complete in its personnel and two of its members are eminent engineers whereas the Canadian representation is not complete and not one is an engineer.

Mr. MACINNIS: Is there any staff outside of the secretary which was mentioned?

The WITNESS: I do know, but as is known to the committee, experts and engineers are retained from time to time for specific projects. I do not know what the position is with regard to the permanent staff.

Mr. FLEMING: What is the salary paid to each member of the commission?

While that is being looked up I would like to draw attention to the fact that last year salaries and expenses of the commission amounted to \$51,000 and that \$75,000 is being asked this year? Is there any increase anticipated in the salaries and expenses and if so on what account? It would seem to me the salaries and expenses ought to be fairly stable.

The WITNESS: I think the expenses vary according to the size of the commission's role and the particular references which they must dispose of. It happens that their current role is quite heavy. I have a group of references which they have now before them, and many of those involve a considerable number of sittings and also the retention of a good deal of expert advice.

Q. You would say just briefly that the work this current fiscal year is likely to be heavier and involve more expense than in the last fiscal year when only \$51,000 was needed?

Mr. BENEDICKSON: Did the Under Secretary say he had a list of the projects they were engaged on?

The CHAIRMAN: Would it be satisfactory to have them put on the record?

Mr. GREEN: Are there very many of them?

The WITNESS: I could read them quite rapidly if the committee does not want a description. Sage Creek reference; Columbia River reference; Passamaquoddy reference; smoke pollution reference—that is the Windsor and Detroit area.

Mr. FRASER: They ought to have one here in Ottawa.

The WITNESS: The Western Valley reference; the Souris Red River reference; the pollution of boundary waters reference.

Mr. CROLL: That is at Niagara Falls. They are on that now.

Mr. FLEMING: Does that last reference apply only to Niagara?

The WITNESS: The Detroit and Niagara rivers. It applies to the waters of the St. Clair river, Lake St. Clair, the Detroit River, and the water of the St. Mary river from Lake Superior to Lake Huron.

Mr. FLEMING: Lake Ontario is not included in that particular reference?

The WITNESS: No, but it is anticipated that it may be extended to those waters.

Mr. FLEMING: In view of what happened last summer?

Mr. CROLL: As a matter of fact, Mr. Fleming, I took that matter up with Mr. Glen. They are down in that district and they are coming up to Lake Ontario.

Mr. LEGER: May I ask Mr. Heeny if the Passamaquoddy project is finished?

The WITNESS: Preliminary hearings have been held in regard to this reference and it is expected that the board will submit its report early in 1950.

Mr. FLEMING: I think it might be well to have the full statement on the record. It might be too lengthy to put it in now.

The CHAIRMAN: If it were in our records it would be available to all members of the committee.

Mr. GREEN: Will they have anything to do with the St. Lawrence waterway development?

The WITNESS: I think not directly, Mr. Chairman. I cannot think of any particular way in which they would be brought into that.

The CHAIRMAN: Will these orders of reference be put in our records?
Agreed to.

Shall the Item 69 carry?

Carried.

Item No. 70—to provide for the Canadian government's contribution to the International Refugee Organization?

Carried.

Mr. FLEMING: Is that about the mid west and western watershed?

Mr. FRASER: Should not that be left along with 64 and 65?

The CHAIRMAN: That will be for the time being.

Mr. FLEMING: What item have you now, Demobilization and Reconversion?

The CHAIRMAN: Item 70—to provide for the Canadian government's contribution to the International Refugee Organization?

Mr. FLEMING: Have you not got the one on the mid-western watershed?

The CHAIRMAN: We passed that in Item 69.

Mr. FLEMING: Could we find out some information about the mid-western watershed activities?

The CHAIRMAN: It is all included in the same item, 69.

Mr. FLEMING: Perhaps we could be told something about the significance of that mid-western watershed vote.

The WITNESS: I will have to ask for that item to be suspended until I can get more complete explanations.

Mr. McCUSKER: That is a commission under Major General Kennedy engaged in studying the water conservation on the east slope of the Rockies?

The WITNESS: For the information of the committee I would like to read the reference in connection with the mid-western watershed:

This is one of the more important references before the commission and was submitted by the two governments in January, 1948. This reference covers the area from the continental divide on the west to the western

limit of St. Mary's river drainage basin on the east and also the area from the eastern boundary of the Milk river drainage basin on the west to the drainage basin of the Red river of the north on the east.

Mr. FLEMING: Have you any information about what stage it has reached. Apparently some money was voted last year and this is a re-vote although it is smaller than the vote of last year by \$4,000.

The WITNESS: I will obtain that information.

The CHAIRMAN: I believe it would be a good time now to adjourn but before we leave are we going to sit tonight?

Mr. FLEMING: I suggest at 8:15.

The CHAIRMAN: Will it be possible for the officials of the department to get the information on the items that we have left for this evening at 8.15?

The WITNESS: Yes, Mr. Chairman.

—The committee met at 8:15 p.m.

The CHAIRMAN: I will call the meeting to order.

Mr. A. D. P. Heeney, Under-Secretary of State for External Affairs, recalled:

Mr. FLEMING: Mr. Chairman, on a question of privilege: This issue No. 2 of the Minutes of Proceedings and Evidence of the committee for the sitting of Tuesday, November 22, 1949, came to hand just about an hour ago and turning it over quickly there are, as far as I am concerned, two mistakes which I would like to speak about. First, on page 68 there is a long passage which was attributed to Mr. Graydon. I think I should mention this in fairness to Mr. Graydon; those are my questions, not his. It had to do with the proportion of temporary members of the staff of the department. And on page 55 there are one or two statements here in a question of mine that are definitely not what I said. I am reported here as saying "I think it was pointed out in the course of our discussion that there are an increasing number of officers in the service of the department who have knowledge of both languages, and that there are a few languages that are becoming increasingly popular". I do not remember having said anything like that.

The CHAIRMAN: Before you proceed, will you make that other correction also?

Mr. FLEMING: Yes. Then it goes on, "I am thinking now particularly that where an English-speaking Canadian is being appointed, steps should be taken to encourage him to acquire the use of French at least. I was thinking particularly of appointments to, let us say, South American countries. Do you think that would be of value?" That is not very close to what I said. What I actually said was that we are fortunate in Canada in that the two languages that are spoken, English and French, are the principal diplomatic languages used in the world today, and I did not see how an ambassador to one of our European positions, and also to a South American position, could be completely useful without having both of these languages.

The CHAIRMAN: The correction will be noted accordingly, Mr. Fleming.

Mr. FLEMING: Thank you, Mr. Chairman.

The CHAIRMAN: Mr. Heeney will now proceed with some additional information he has to give to the committee.

The WITNESS: I trust that it is appropriate and in order for me, on behalf of my Minister, to make a reference to the record of proceedings of the first

meeting of the committee when Mr. Pearson was present. Mr. Pearson had to go away quickly to New York and was not able to go over the text himself. However, he sent me by teletype later giving a number of verbal corrections which he wishes to have the committee allow to be made inasmuch as he did not have an opportunity himself to see the draft proceedings before he had to go away to Lake Success. I do not know whether it is proper for me to ask that, but I would ask the indulgence of the committee to that extent.

The CHAIRMAN: Go ahead.

The WITNESS: There are two items of further information which I can now give upon matters discussed this afternoon. One is about the International Joint Commission, the salaries of the commissioners and staff, and the other one has to do with the Commonwealth Economic Committee and the contributions made by the different member countries. As far as the International Joint Commission is concerned, members receive the salary of \$7,500 a year by statute. There is a permanent secretary who receives a salary of \$4,320. There is one stenographer grade 2, who receives an annual salary of \$1,800. There is one junior administrative assistant whose salary is \$2,400 a year.

Mr. GREEN: There are no engineers on the staff at all?

The WITNESS: \$75,000 is made available by this vote. Engineers retained are as a rule I understand government engineers; where they are retained they are retained without cost to the commission itself.

Mr. FLEMING: The whole of the \$75,000 is not available for engineers. That covers salaries as well?

The WITNESS: There is sufficient in that vote to provide for some hiring or some retaining of engineers in addition to the payment of salaries.

Mr. FLEMING: Is there a specific item for the retaining of engineers?

The WITNESS: Not as such.

The CHAIRMAN: Shall the item carry? That is item 69?

The WITNESS: On the Commonwealth Economic Committee, I am informed that contributions to a total amount of £33,000 odd are paid in these amounts by the countries: United Kingdom £11,555, or approximately 35 per cent; Canada, £5,610, or approximately 16 per cent; Australia, £4,600, or approximately 14 per cent; India, £3,960, or approximately 12 per cent; South Africa, £2,640, or approximately 8 per cent; New Zealand, £2,640, or approximately 8 per cent; and Southern Rhodesia, £660, or approximately 2 per cent. It will be noted that if these amounts are added up they will not add precisely to the total amount that I gave to begin with. The reason for that I am informed is that the readjustment for the dropping out of Ireland has not yet been made; and the same applies for the exclusion of Burma and in the inclusion of Pakistan.

The CHAIRMAN: Are there any other questions on item 67?

Mr. FLEMING: Can Mr. Moran tell us in a word anything further as to the reason for the economic committee? Am I correct in my understanding that it acts as a clearing house for information?

The WITNESS: That is what it has been traditionally, Mr. Chairman. The fact is that so far as this government is concerned I think its usefulness is diminishing. There is another committee which for our purposes has largely taken its place. That is called the Commonwealth Liaison Committee, which was originally set up in London for the purpose of keeping Commonwealth governments informed of the progress of events in the organization for European economic co-operation. Many of the tasks which previously had been performed by the old Imperial or Commonwealth Economic Committee are now in fact on a day-to-day basis performed by this new Commonwealth Liaison Committee. One would not doubt from the point of view of this country in any event, that the Common-

wealth Liaison Committee is likely to become a more important body for us than the old Commonwealth Economic Committee which is becoming of less importance.

Mr. GREEN: Are Australia and New Zealand represented on that?

The WITNESS: Yes.

Mr. FLEMING: Are the others who are members of the Commonwealth Economic Committee also represented on the Commonwealth Liaison Committee?

The WITNESS: To the best of my knowledge, they are. I would not be perfectly sure that each member is. The purpose for which this Commonwealth Liaison Committee was set up would suggest, that they are all represented. The purpose of the Commonwealth Liaison Committee was to inform the Commonwealth countries through officers attached to their high commissioners' offices in London of events in the progress of European recovery under the O.E.E.C.

Mr. FLEMING: Would it be correct to infer that the continued usefulness and continued life of the Commonwealth Economic Committee is being reduced?

The WITNESS: Yes, at the moment.

Mr. McCUSKER: Is anything being done to avoid duplication as to activities and staff with respect to these committees?

The WITNESS: That is one of our principal preoccupations. Sometimes a new organization is set up by persons who have not complete knowledge of an old organization. We in the department try very hard to keep trace of these various committees and avoid overlapping and duplication, and to avoid inefficiency both in respect of money and of manpower.

Mr. FRASER: Mr. Chairman, might I ask if we have one man or more on this committee?

The WITNESS: Do you mean on the Commonwealth Economic Committee?

Mr. FRASER: Yes, have we anyone on that committee?

The WITNESS: We are represented through Canada House. It is not always the same person. There is certainly not more than one; only one who would attend at a time.

Mr. FLEMING: The continuing committee is still functioning?

The WITNESS: It is staffed and it makes studies—

The CHAIRMAN: Shall item 67 carry?

Carried.

Mr. FLEMING: Just a moment, ICAO, Mr. Chairman; Mr. Moran was going to give us some information—

The CHAIRMAN: Yes, I am calling Mr. Moran.

The WITNESS: Yes, Mr. Chairman. Mr. Fleming was referring, I think, to cases in which other governments, host governments, made special arrangements for the accommodation and facilities required at headquarters by United Nations or other international organizations. I think Mr. Moran has been able to turn up two or three examples of what we were discussing.

Mr. MORAN: The first is a proposal from the Swiss, and the information that we have here was supplied last April through the director general of the World Health Organization; at that time the Swiss proposed on behalf of the World Health Organization which had decided that its permanent headquarters would be in Geneva to provide an interest-free loan to run for 30 years in the amount of 4,750,000 Swiss francs a gift of 2,000,000 Swiss francs, and it gave a further gift of 3,000,000 Swiss francs if the World Health Organization could obtain the balance of the funds necessary to carry out, or to meet some of its administrative expenses from other sources.

Mr. GREEN: How much is that in dollars? What is a Swiss franc worth?

Mr. FOURNIER: A quarter.

Mr. MORAN: That makes a total of 5,000,000 Swiss francs, which would be a million and a quarter dollars. The first one is an interest-free loan of $4\frac{3}{4}$ million Swiss francs—

Mr. FLEMING: That would be about a million dollars. Can you tell us as to whether that proposal was adopted?

Mr. MORAN: No, but it was a proposal which the Swiss initiated so it is now a matter of acceptance by the World Health Organization.

Mr. FOURNIER: When was the proposal made?

Mr. MORAN: This information came to us in April—I am wrong in referring to it as being a proposal, it was an offer, the offer of the Swiss government, made some time prior to the 16th of March.

Mr. FOURNIER: Of this year?

Mr. MORAN: Of this year. Now, here is another which would indicate that on behalf of the United Nations Organization the government of the United States was making an interest-free loan of \$65,000,000, and that New York City is spending \$22,000,000 in connection with the development of the site on which the building is to be erected. That should be "the buildings are being erected". The President of the United States, this year, in his budget message, requested a \$7,000,000 loan to enable FAO to erect a new building. UNESCO was given financial assistance by the French government through providing them with a building at a value in U.S. dollars of \$748,055 which was a very small percentage of its actual market value. The Danish government has made an offer to FAO, as that country is interested in having FAO locate its permanent headquarters there, of a suitable building and grounds, free of charge, and additional assistance in financing another office block to supplement the building that the Danish government will supply them free of charge.

Mr. GREEN: Did they get the headquarters?

Mr. MORAN: No, there has been no decision reached yet. From what I have read it is a matter of both the United States and the Danish government making offers to the Food and Agricultural Organization to make their countries attractive.

Mr. GREEN: They are bidding for the location?

Mr. MORAN: Yes.

Mr. GREEN: The United States is offering a loan.

Mr. MORAN: That is right, an interest-free loan plus other assistance.

I could go on in a similar vein but these give some idea of the type of thing that is being done.

Mr. FLEMING: That gives us an indication of what is going on.

Mr. GREEN: I do not think that Canada should necessarily follow that course again. The United States is not making grants, she is making loans. It seems to me that Canada could have made a loan in this case but, instead we are giving away or subsidizing them to the extent of \$1,200,000 or more in order to get this agency here. There is no suggestion that it would not have come here anyway. I doubt very much whether the Canadian people should be called upon to make gifts of that kind.

Mr. CROLL: An interest free loan is a matter of subsidizing.

Mr. GREEN: Who pays the interest?

Mr. CROLL: We are subsidizing them and we admit it.

Mr. FRASER: May I ask Mr. Heeney what funds are available to pay back these interest free loans? What is the setup which allows these loans to be paid back?

The WITNESS: I presume that is an arrangement in the United States budget which would have the authorization of Congress.

Mr. FRASER: We are the people who are making the loan to the organization and what I want to know is how the organization pays the loan back?

Mr. HARRIS: By assessments.

The WITNESS: Through the United Nations' budget.

Mr. FRASER: Yes.

The WITNESS: It would be provided out of the United Nations' budget.

Mr. FRASER: Not in this case.

The WITNESS: In the case of ICAO?

Mr. FRASER: Yes.

The WITNESS: There is no interest free loan to ICAO. There is no repayment involved. This is a straight subsidy on rental by the Canadian government.

Mr. FRASER: In the United States they are making the loan?

The WITNESS: They are making a loan to the United Nations and the United Nations budget has to provide for repayment over twenty years.

Mr. GREEN: Have we made any other gifts of this kind, Mr. Heeney?

The WITNESS: Not that I am aware of. This is the only United Nations specialized agency which has a headquarters in Canada.

Mr. FLEMING: What was done when ILO was located temporarily in Canada?

The WITNESS: We tried to ascertain if there was any particular arrangement made for them but we were unable to find out in the time available. I know of no particular element of subsidy there. We were most anxious to help them in any way we could and I believe they occupied at one time buildings owned by the University of Montreal.

Mr. FLEMING: That was a rather different matter. They came here during war but in the case of these other new international organizations apparently some nations are bidding for the various headquarters.

The WITNESS: Yes, there is quite a bit of competition to get the headquarters of certain organizations in certain countries.

Mr. BAKER: If a new building is completed at Lake Success will some of these agencies revert back to that building or will they be continued in those different countries?

The WITNESS: As far as ICAO is concerned there is no intention of moving it to New York. I do not know of any specialized agency being included in the New York site. The only provision contemplated on the east river site is for the United Nations itself, the parent unit.

The CHAIRMAN: That completes items 64, 65, 67 and 68.

Mr. McCUSKER: Have we finished with 64?

The CHAIRMAN: There was some information given on UNESCO.

Mr. FLEMING: We left UNESCO and WHO open.

The WITNESS: I have a statement to make on UNESCO as an introduction to any questions. Members of the committee might wish me to make a statement concerning the general aims and activities of UNESCO or would they prefer to ask specific questions?

Mr. CROLL: It would probably be better to make a statement.

The WITNESS: May I do so?

The CHAIRMAN: Yes.

The WITNESS: The United Nations educational, scientific and cultural organization seeks to mobilize not only the energy and activity of governments, but, more especially, that of voluntary associations—national and international—and individual. In a sense, it seeks to do on an international scale and with much broader objectives the sort of thing that was undertaken by our department of

national war services during the war. In its first two and a half years of effective operation UNESCO has been concerned in the first place with the educational, scientific and cultural reconstruction of war devastated countries. The Canadian council for reconstruction through UNESCO, has made a notable contribution to the work of UNESCO in this important field.

Simultaneously, UNESCO has been giving attention to the development of education, science, and culture in under developed areas and has set in motion some long term projects in line with its basic objectives.

Our view in the department has been that UNESCO has tended to dissipate its energies and resources on too many projects. That has been the attitude which the delegates of Canada have taken in the two meetings of the council. This view seems to be gaining fairly wide acceptance and we anticipate a gradual improvement in this regard.

I should add a footnote there. We have, in the department, been concerned with the operational efficiency of this organization. It is our impression, however, that the objectives and policies and programs of the organization are coming into sharper focus now than they have done in the earlier more enthusiastic but less definite days.

Some typical UNESCO projects are as follows:

In education, fellowships have been granted to enable scholars and experts of war devastated countries to study latest developments in their fields in more fortunate countries—some sixty odd will come to Canada—some are already here. Seminars for teachers have been held. A seminar on the teaching of geography will be held in Canada next year.

In the natural sciences UNESCO has made grants-in-aid to various international scientific organizations and has given them practical assistance in various ways.

The foregoing are merely examples of the great variety of projects undertaken by UNESCO.

As I mentioned this afternoon in an answer which I gave, the royal commission on National Development in the Arts, Letters, and Sciences—the Massey commission—has in its terms of reference a direction to examine and make recommendations upon “methods by which the relations of Canada with the United Nations educational scientific and cultural organization and with other organizations operating in this field should be conducted”.

Meanwhile, various Canadian educational, scientific and cultural organizations are co-operating with the government in carrying out the program of UNESCO in this country.

The Department of External Affairs has, pending action which may be taken as a result of any finding of the Massey commission, been a kind of clearing house for information between the organization itself, the provincial departments of education and the various national organizations which are operating in this field like the Teacher’s Federation, the Canadian Education Association, and the Canadian Arts Council and certain other national organizations.

So far as the Canadian contribution to UNESCO is concerned, the 1949 budget is \$7,780,000. An additional \$200,000 is to be obtained from member states to bring the so-called revolving fund to a total of \$3,000,000. Canada’s contribution has been set at 3·81 per cent of the whole amount.

I understand that the supplementary, which I might mention, of \$7,100 is a result of exchange alteration or devaluation of the Canadian dollar.

Mr. McCUSKER: Where does WHO work in with UNESCO?

The WITNESS: There is no direct relationship between WHO and UNESCO so far as I am aware. There is contact between all U.N. specialized agencies

and efforts are made to prevent overlapping where terms of reference might seem to give opportunity for duplication of service or activity. I do not know of any special liaison arrangements between WHO and UNESCO.

Mr. McCUSKER: Do we contribute to WHO?

The WITNESS: Yes.

Mr. FLEMING: That is the next item.

The WITNESS: Yes.

By Mr. Fleming:

Q. May I ask Mr. Heeny if there are any direct benefits that Canada has derived from UNESCO or are we to regard them as in the nature of a contribution to the assistance of less fortunate countries?—A. I should think on the whole the latter is true. It is hard to estimate the intangible values one may obtain in return for work of this character. There are of course such things as may be brought into a Canadian community by those who come to this country to study and to pursue particular objects. But I would say that there are no immediate material benefits to Canada. The object of the organization, certainly in its early years, has of course been to assist those who have suffered either as a result of war or because of under development generally.

By Mr. Graydon:

Q. The members of the United Nations, including some of the leading ones, did not become members of UNESCO. Are they deriving any direct benefit from the operation of UNESCO, such as the USSR, for example?—A. It is hard to see how they derive much direct benefit from the operations of UNESCO, but I think it would be hard to say they derive no indirect benefit from the raising of the moral and educational tone of the world as a whole.

Q. Some of the expenditures are being made, I gather?—A. We do not know of any in which—you may have something particularly in mind—but we do not know of any cases where the non-member countries you have in mind have benefited.

Q. Having regard to the fact that this is largely an investment by member nations in improving the educational and other standards throughout the world on behalf of less fortunate countries, I wonder how many United Nations who deliberately stay out of UNESCO are deriving as much benefit as do the less fortunate countries?—A. I think the short answer is none. There is no way we know of by which they can benefit without carrying their share of the load.

By Mr. Graydon:

Q. You said there was some objection raised by Canadian delegates to these organizations; perhaps a spreading out too thinly and going into too many fields of activity. What would the delegations have in mind with respect to that? Do you know?—A. What we felt in general, Mr. Chairman, in the earlier meetings was that some of the projects had not been thought through sufficiently clearly. We thought they were somewhat inflated and I think that our view, or rather the view of the government was that one should proceed pretty carefully in such matters rather than to budget for large amounts when the material results of such investment were not reasonably evident. Our delegations have taken that view on the last two or three occasions when the council has met and with some measure of success, I think.

Q. I should think there would be a good deal of opinion in favour of that position. It should be realized that we attend nearly one hundred conferences or meetings of world organizations, each one of which is pretty largely doing something quite different from the other. We think that for a nation like ours,

or for any nation, it means that possibly we are becoming in world affairs, as we have become so often in local affairs, so organized that we cannot put our best efforts on some of the major things that ought to be taken care of. It may result in becoming over-organized in world affairs just as we become over-organized in local affairs. I suppose it is a question of separating the wheat from the chaff, in world affairs on which the government of a country should place its greatest emphasis. But I can clearly see that we are into the thing in such a broad and comprehensive way now that it must be difficult for a delegation or for this country to give intensive study to some of the major subjects which really amount to something because we are spread so thinly over so many organizations.

When you look over the United Nations picture and see the chart of all the things that the United Nations is trying to do, you wonder how in the world very intensive work can be done in any single one of them, work which is going to be as effective as we would like to have. That is no argument against the fact that all these things are important, but there is a difficulty which arises from the very nature of the organization and the setup itself—A. What Mr. Graydon has said, I am sure, expresses the view of the people in the department very accurately. One of the most difficult things for a comparatively small country to determine with respect to international organizations is the priority which should be given not only year by year but even from day to day in the amount of energy and ability that can be called upon.

This is a continuing problem for a department with limited resources. I would not want my remarks about UNESCO to be taken as a reflection in any way upon the motives or the capacity of many of those persons who have been responsible for the development of organization, because I would not like the committee to feel that we in the department have not a high regard for those motives as well as for many of those who are engaged in this very great and very good work. At the same time we are conscious of our own limitations and the limitations of our resources of personnel. Again one gets back to this matter of priority of effort.

Q. I do not think anyone would want to single out UNESCO for any observations like that anymore than a general picture; but it does give one an opportunity to draw attention to that general picture. It must be a very great problem with a department which is operating on a comparatively small scale as compared to the United States, for instance, or as compared to the United Kingdom, or some of the larger countries.

Mr. MUTCH: I wonder if some of the unhappiness about these things does not rise from a rather ill-defined area between what is helpful and what is just well-intentioned meddling?

The CHAIRMAN: Of course, in a matter of this kind or with respect to any of these agreements, we cannot think only in terms of material benefit, but rather in terms of the work that is to be accomplished by those organizations for the welfare of all nations.

By Mr. Fournier:

Q. Do the nations which contribute to the funds of UNESCO receive a financial report every year as to how the money was spent or distributed?—A. Yes, a full financial report.

Q. And what is the total amount of the budget of UNESCO?—A. I gave that figure a moment ago. It is \$7,780,000, together with an additional amount which is to be added to this so-called revolving capital fund.

Q. I wonder if it would be possible to know how much of that \$7,780,000 goes for salaries?—A. We have not got that figure here, I am afraid. The administrative budget of UNESCO will give the committee some idea with

respect to the operations and expenditures. I can fill that figure in for you before the committee adjourns tonight. It gives the proportion of overhead to the investment, as it were.

Q. Very well.—A. I would like to add something if I might to what I said to Mr. Graydon. There are a number of organizations in this country as well as a number of individuals, many of them, in fact all of them engaged in work of national importance, who attach great importance to the work of UNESCO. And there are other organizations, some of which derive benefits by way of information and opportunities for scholarships and fellowships.

By Mr. Croll:

Q. Would you be good enough to name a few people for us?—A. Canadian Educational Association. Canadian Arts Council. Canadian Teachers' Federation. Canadian Council of Professional Engineers and Scientists; and the U.N. Association itself.

Q. And could you give us the names of some of the people who are outstanding Canadians who recommend UNESCO?—A. People who are interested in this work? I think they would be, for the most part, the officers of these organizations to which I referred. They devote their energies to those organizations and their interest derives not so much as individuals as ex officio.

By Mr. Mutch:

Q. And would there be in that group anybody who would benefit?—A. As an individual?

Q. Yes, but not as groups.

By Mr. Croll:

Q. Have we impressed upon you that we are unhappy about UNESCO, or have you not got it yet?

By Mr. Benidickson:

Q. We are very much in harmony with what the Under-Secretary himself has said, that he wants some material signs of progress?—A. I have the feeling that you share our unhappiness.

By Mr. Graydon:

Q. We should not go to the point where we would be in any way interpreted as not believing that UNESCO has a very important place to fill. It is only a question of the method and the best way to employ the resources we have in filling it. That sums up the matter, does it not?—A. Yes.

By Mr. Dickey:

Q. Might Mr. Heeney tell us what happened to the Canadian Council for Reconstruction under UNESCO?—A. That organization is still in existence. They have been engaged in a number of endeavours, worthy endeavours, under the UNESCO programme. My mind turns, for example, to the collection and provision of books for war-devastated countries; to the operation of the scholarships which are provided by UNESCO funds; and to the assistance in the appeal which was made to the public a year ago. I think also of the Canadian end of arrangements for assisting people in the creative arts from countries where opportunity has not existed since the end of the war. I am reminded of the provision of certain scientific equipment from this continent to universities and institutions which had been deprived of such equipment as the result of war damage or other causes in recent years.

Q. And that council provided, I think, a rather large number of boxes of supplies for schools?—A. Yes, school kits, they called them; that is correct.

Q. Did they contain any Canadian material?—A. Yes, a good deal of Canadian material.

Q. Where were they distributed?—A. In European countries.

Q. What sort of organization do they have at the present time? Have we any information about that?—A. Yes, we know their officers and their board or council. They are in touch with the department which, as I have said, is a kind of clearing-house temporarily, at any rate, for UNESCO matters in Canada.

Q. Is there any direct government connection or financial responsibility in the operation of that work?—A. No.

Q. How it is paid for?—A. It is paid for from the proceeds of the campaign which they conducted some time ago, and to which I think the government contributed.

Q. Do they draw any funds from UNESCO?—A. No, they operate from funds which they collected by subscription.

Mr. PICARD: Would it be quite right to let a sentence of Mr. Croll go unchallenged? I understood him to say that the whole committee feels unhappy about UNESCO. I want to say that I do not feel unhappy about it at all. I have read a lot about it and I think the importance of what is being done is considerable. I think our share is not so much when we consider what we have spent in Canada without getting as great a result as might come from UNESCO, once it settles down to more definite lines.

Mr. FLEMING: I think some progress could be made if members of the House, or at least members of this committee, preferably all members of the House were furnished with copies of the annual report of all these organizations that are related to the United Nations. It is true that as members we receive the odd report, but it seems to me it would be highly desirable that the members who are responsible for voting large sums of money to the support of these organizations should receive copies of the annual reports.

The WITNESS: We would be very glad to see that copies of material which is available—and there is a good deal of it on UNESCO and WHO and other organizations—is distributed to members of the committee.

The CHAIRMAN: If it is not too expensive I would rather see it distributed to members of parliament and the senators because they have a committee on External Affairs too.

By Mr. Graydon:

Q. May I ask Mr. Heeney one more question in regard to UNESCO. I think Mr. Fleming has said there ought to be some more detailed information furnished about these various specialized agencies because they do quite a bit of work and cover a very wide field and they are very apt to be forgotten in the general picture of this organization unless some report is made and I was going to ask you Mr. Heeney if among the other nations that are members of UNESCO is there a UNESCO commission in each of these countries?—A. There are in some countries Mr. Chairman, commissions, national commissions, so-called, established as the co-operating liaison agent for the nation in question. The constitution of UNESCO did recommend to member countries that each member state should have such a national commission and that has been proposed. The UNESCO constitution reads this way:

“ . . . each member state shall make such arrangements as suit its particular condition 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”.

Q. Mr. Chairman, what page is that?—A. That is in *Canada and the United Nations*, 1948 on page 143. It is part of the section on UNESCO in that publication of the department.

By Mr. Graydon:

Q. What efforts have been made in Canada towards the formation of a national commission?—A. Well, the question of a national commission or other organization to meet the terms of that provision is one of the questions before the Massey Commission at the present time.

Q. I am thinking of the period from the time UNESCO was formed until the Massey Commission was set up.

Mr. HARRIS: My recollection is it was brought up in the house several times.

Mr. FLEMING: It was brought up every year.

The WITNESS: In the interim the department has been doing what it could to have contacts with the provincial departments of education and national organizations to which I have made reference co-operatively and without any organizational framework.

By Mr. Graydon:

Q. I take it there must have been some obstacles in the way of its formation?—A. There have been differences of opinion how this can best be done.

The CHAIRMAN: Shall the item carry?

Carried.

Item 65, World Health Organization?

By Mr. Fleming:

Q. I think Mr. Heeney was going to give some information to us about that portion of the budget, Mr. Chairman.

The WITNESS: I might begin by making a brief explanatory statement on the World Health Organization.

This organization is the result of a resolution passed by the Economic and Social Council in 1946 as members will know its purpose broadly, and I am quoting here “the attainment by all peoples of the highest possible level of health”.

WHO has established eleven Expert Committees specializing in various phases of technical, medical and public health work. Particular attention has been paid to biological standardization, to malaria, yellow fever, tuberculosis and venereal diseases; and it will be recalled that the world's scientific resources were successfully mobilized by WHO in the autumn of 1947 to combat the outbreak of cholera in Egypt. The WHO has also nominated 200 candidates from 9 countries and placed them for special medical studies in various of the world's great centres of scientific research. Most of these candidates come from war-devastated areas. The WHO is one of the most successful and least controversial of the United Nations Specialized Agencies. On the question of the Canadian contribution members of the committee will possibly be puzzled by the figures which appear in the breakdown which was distributed at an earlier meeting. In the main estimates we are asking for \$108,000 as compared to an expenditure of \$199,000 last year and in the supplementaries we are asking for \$256,391. The explanation of that is this. The World Health Organization Budget for 1949 was set at \$5,000,000 U.S. of which Canada's assessment was approximately \$158,000. The surplus of \$50,000 remaining over from a vote in the previous year was applied towards the 1949 contribution and was paid in Swiss francs. The remaining

\$108,000 has been provided for in the 1949-50 estimates of the Department of External Affairs. It is this item 65 which the committee is now discussing and is to be paid on the first of January 1950. The W.H.O. budget for 1950 has been set at \$7,000,000 U.S. of which Canada's assessment is \$221,491 U.S. As Canada's contribution is due on January 1, 1950, it is the department's desire to include this amount in the supplementary estimates for 1949-50. The government is asking for the 1950 contribution payable on the first of January of \$221,491 plus a loss on exchange of \$23,500 and on the 1949 contribution we are asking for the remainder which will be due, namely, \$11,400, making up a total asked for in the supplementaries of \$256,391.

I am anticipating a discussion on the supplementary estimates, Mr. Chairman, because I thought it would be easier if the committee were to see the supplementary and main estimates pictured together because of these rather confusing figures.

By Mr. Fleming:

Q. That means in effect we are paying almost two full years' membership dues now?—A. Yes.

Q. Less \$50,000?—A. Yes that is right.

Q. Last year we paid in round figures \$200,000. How was that arrived at?—A. There was a carryover in that. I think Mr. Hemsley, perhaps you could take up the explanation of that.

Mr. HEMSLEY: I think this is explained in the typed sheet we gave you.

The WITNESS: There was an explanation there that I really supplemented.

Mr. MORAN: It is on page 3.

Mr. HEMSLEY: When we put the estimate in we didn't know exactly what the assessment was going to be; so we put in \$200,000. After Canada's actual contribution was paid for that year—approximately \$150,000—the surplus of \$50,000 remained. This was used to pay \$50,000 towards the next year's contribution, so that we could at least pay that amount of \$50,000 when our full contribution was due, on January 1, 1948.

By Mr. Benidickson:

Q. Is that an orthodox practice to take it out of one year to pay for an additional period of time?—A. Yes, with the permission of the treasury board. If parliament is told we are committing ourselves for a certain period of time and grants a certain amount of money and that money is more than you need it is not proper practice to take the money and commit us for a membership for an additional period of time.

Mr. FLEMING: I understand that could not be done without an additional vote. If the time lapses it could not be used unless actually revoted by parliament.

The WITNESS: It must be used within the fiscal year or within thirty days after the end of the fiscal year. This is not a matter of it being paid after the vote has lapsed. That of course could not be done and it would be illegal. This was paid within the fiscal year for which it was voted.

The CHAIRMAN: Shall the item carry?

Carried.

By Mr. McCusker:

Q. I was going to ask about the overlapping of different health organizations. I understood you to say that this health organization looked after all the technical details in connection with public health. Do representatives of health organizations meet at Geneva to discuss these problems?—A. Yes.

Q. For example, the secretary of that organization is Brock Chisholm?—A. Yes, he is the Secretary-General. Dr. Chisholm is not a representative from Canada at all.

Q. No I know but we send people do we?—A. Yes to the governing body.

Mr. HARRIS: I think, Mr. Chairman, the under-secretary might send these reports on the World Health Organization to Dr. McCusker.

The WITNESS: I would be very glad to do that.

The CHAIRMAN: Shall the item carry?

Mr. FRASER: Mr. Chairman, there is one question.

By Mr. Fraser:

Q. Does this World Health Organization work with the Red Cross Organization?—A. I would expect it would co-operate.

Q. That it would be doing some of the work the Red Cross has been doing in the past?—A. I do not think so. No.

Q. I understood it to.—A. I would not think they did at all.

Q. Does the Red Cross Organization represent the London organization on this?

Mr. FOURNIER: That is not the same thing at all.

The WITNESS: The assistant to the minister gave that information.

(Discussion continued off the record)

Mr. GRAYDON: I think perhaps Dr. McCusker is right, that there must be some duplication in many of them, many of these organizations similar to the World Health Organization, in the activities which they are carrying on throughout the world; but I think that we have to make this distinction, that an organization of this kind, many of these organizations in fact, are specialized agencies under the aegis of United Nations Organization itself, and many of those organizations are strictly speaking governmental bodies. They are not bodies that have representatives from the professions or from particular sections, they are all government or inter-governmental organizations representing the nations which are members of the United Nations. That is the way in which membership on these organizations is made up. I know that in New York when the World Health Organization was being set up there was a great feeling amongst many of the nations that perhaps in matters of health they could get co-operation on a world level which perhaps was not possible by any other single agency of the United Nations. They got good co-operation there I think from the Soviet Union and from its satellistic states and from any other nation which belonged to the organization of the United Nations; and I know it was felt that they could work out a co-operative international scheme through an organization of that kind which perhaps no other agency could do. I believe the feeling was that they could get better co-operation through an organization of that kind than has as yet been possible through any of these business or professional organizations which have matters of that kind; I feel that those ideals have come to as fine a fruition in the World Health Organization as those who dreamed of it thought it would. But, in any event, it did provide a basis for co-operation, and I think it has been one example, perhaps the most outstanding example we have yet had, of what all the nations associated with the United Nations thought could be accomplished in the field of international co-operation. I think for that reason it must be admitted, at least in its initial stages, to be somewhat of a success.

The CHAIRMAN: Shall the item carry?

Carried.

The CHAIRMAN: The next item is 70:

Mr. FLEMING: Is there a statement on the International Refugee Organization?

The WITNESS: I might make one, if that is desirable. The International Refugee Organization had its origin in a resolution of the General Assembly of the United Nations in December of 1946, and as a result of the ratifying of the constitution by the required number of states the I.R.O. became a specialized agency of the United Nations in August of 1948, and the first meeting of the general council was held in September of 1948. Canada ratified the I.R.O. constitution on July 31st, 1947. The purpose of I.R.O. is to maintain and settle abroad as rapidly as possible some 800,000 refugees most of whom were in refugee camps in Germany and Austria. Since July of 1947 when this organization began its work, something under 300,000 refugees have been resettled; some in their countries of origin and some elsewhere, in Europe and others abroad. The organization is taking measures to empty the refugee camps and to establish these refugees either in Europe or in the western world. This process, however, depends upon the willingness of the receiving country to open their doors to immigration on a generous scale. Because of the scarcity of shipping and the general reluctance of receiving countries to take family groups of whose members only one or two are wage earners it seems to the department unlikely that the refugee problem—in fact almost certain—will not be resolved by the time the mandate of I.R.O. expires, on June 30th of this year. The vote from July 1st, 1948 to July 1st, 1949 was \$155,075,770, of which sum it is proposed to spend \$54,000,000 on care and maintenance and approximately \$68,000,000 on resettlement of refugees abroad. The vote consists of some \$4,500,000 for administrative expenses and \$150,060,500 for other expenses. Expressed in terms of United States dollars Canada's part of the budget is, at 3·2 per cent of the administrative budget, \$144,000; and operational expenses at a percentage of 3.5, \$5,252,177; or a total Canadian contribution of \$5,423,157.89,—vote No. 906. I am talking about the past year. I think perhaps I had better leave the rest for any questions which might be asked.

The CHAIRMAN: Are there any questions at this time?

By Mr. Fraser:

Q. How many have come into Canada? Have you any idea as to that?—

A. Yes, Mr. Chairman, I can give the figures on that from information which was obtained from the I.R.O. and which will be included in a return which will be tabled in the House, I think within the next few days. There are two ways in which these refugees can come in; one under the so-called workers' scheme, and the other under the close-relative scheme. Under the workers' scheme there have been 39,922 labourers entered and dependents of those labourers, or workers number 5,883. Under the close-relative scheme 3,294 have entered.

Q. How does that compare with the United States?—A. I should say, very favourably.

Mr. CROLL: That is a very mild statement, an extraordinarily mild statement; they have taken hardly any into the United States.

Mr. FLEMING: That total is 49,000?

The WITNESS: Yes, approximately that.

Mr. MACINNIS: How many are left in the refugee camps?

The WITNESS: I haven't a very recent figure.

Mr. MACINNIS: Would it be 130,000?

The WITNESS: I will try to get that. The so-called hard core is exceedingly difficult to liquidate, if I may say that. I would not hazard a figure. I think I had better leave that blank so that I can return to it a little later on.

Mr. FLEMING: It is a fact, is it not, that this scheme does not operate for the benefit of German nationals. I think there are something like 10,000,000 German nationals in that portion of prewar Germany that has now been occupied by Poland and claimed as Poland, that is now Polish territory, who were pushed west. About 10,000,000 of them, as I understand it, came into the occupied zones of western Germany and they did not get any benefit at all from the International Relief Organization, the whole burden of that huge refugee movement has been passed on to the German nationals in the western occupied zone and the western occupying powers.

The WITNESS: That, I think, to some extent has had its effect on their economy.

Mr. WINKLER: Mr. Chairman, Mr. Heeney referred to the hard core; I wonder if he would mind explaining what he means by the use of that term, "hard core"?

The WITNESS: The refugees who were most mobile were obviously those who were capable of easiest resettlement. Because of their age and skills they were easier to assimilate into the countries to which they wished to go. The hard core is in a different category,—either because they are very old or too old to move readily to a new environment and take on a new life, or because of disease, physical incapacity of one kind or another, or indeed mental incapacity—people in institutions. Those numbers are very considerable and the reasons they are called the "hard core" are of the nature I have indicated.

By Mr. Fleming:

Q. I wish we could get some idea of the figures or numbers of refugees still under the care of IRO. I think that two years ago we had quite an extensive review of the problem in this committee. Now, we are being asked this year to vote even more money for IRO than we did last year. That does not suggest any great progress has been made with the refugees. I think we should have some further information.—A. I think the progress has tended to become slower all the time but the information we have from the organization's local representatives and from Geneva is that progress is being made. They are worried, of course, about the future and particularly about this hard core problem which is a very difficult and stubborn problem to meet.

At the moment they are sending out emissaries from Geneva to all the western countries to see if they are prepared to take a larger number of refugees at lower standards than previously.

Q. Some of the members of the committee may have a better memory for the figures than I but it is in my mind that there were about 9,000,000 of these people when we considered the problem two years ago.

The CHAIRMAN: No, no, 800,000.

Mr. FLEMING: I am sorry. Have we not got any figures on that point?

Mr. CROLL: My recollection is that from a top of 800,000 we are down to 300,000. That is the figure I recall from last year.

The WITNESS: We have the figures as of the end of January of this year. This is of interest. When the appropriate committee of IRO began operation it assumed responsibility for about 704,000 persons in D.P. camps—I said 800,000 a moment ago. Between July 1st, 1947 and June 1st, 1949 375,000 refugees have been repatriated or resettled but the number receiving care has decreased by only 150,000. That is partly because not all of those resettled or repatriated came from IRO camps and partly because additional people have applied for assistance. The United States Congress recently passed a law authorizing the admission of 200,000 displaced persons. Australia has announced a willingness to take up to 200,000. Under orders presently in force it is estimated

that a total of 100,000 under IRO will qualify for admission to Canada. Up to December 31st, 1948, 54,733 had already entered the country.

By Mr. Fleming:

Q. Are we voting \$5,425,000 for the period ending June 30th next?—A. Yes, that is correct.

Q. Then, what is the date of commencement of the period for which we vote the \$5,425,000? Is it a year?

Mr. HEMSLEY: Yes, it is a year but I am wondering if it is not to June of this year. Yes, it is from July 1948 to July 1st, 1949.

By Mr. Fleming:

Q. So there is another year's assessment waiting for us?—A. Up to June 1950, when the present charter expires.

Q. Is there any renewal of the life of IRO under contemplation? Has anything been done about that?—A. That is a matter which is under consideration.

Mr. MUTCH: There are two questions I would like to ask with respect to the hard core. Is there any considerable percentage of that so called hard core comprised of people who have been rejected for security reasons? Would anybody have any idea what the percentage is?

The WITNESS: I do not know whether a figure can be given.

Mr. CROLL: It is not possible.

The WITNESS: You mean rejected by the Canadian immigration authorities?

By Mr. Mutch:

Q. Yes, for that reason either by us or by someone else?—A. The organization itself would be the only source of information of that character. The Canadian government would not have the figure.

Q. What happens to those persons who have been rejected? Do they continue to stay in the camps?—A. They go back to the refugee camps.

Mr. CROLL: They leave the refugee camps as soon as there is no hope of going any place and they finally wind up somewhere in the economy of the country.

Mr. MUTCH: I want to know whether they do as you say. We have been told that, but it has also been said that they stay in the camp and wait?

The WITNESS: An attempt is made to rehabilitate them in the country—

Mr. MUTCH: To which they are politically sympathetic?

Mr. CROLL: No. They try to take them back to the country of origin but usually they will not go and they simply find their way into the economy generally.

Mr. BENEDICKSON: Is it still the practice of IRO to pay the transportation for its wards to the Canadian port?

The WITNESS: Yes, all costs to the Canadian port.

The CHAIRMAN: By the Immigration Department?

The WITNESS: By the organization itself.

By Mr. Fournier:

Q. How many have we received in Canada?—A. The latest figure we have here is 54,000.

Q. Have we any commitments so far as admission of a certain proportion is concerned?—A. No, except in the sense that we are members of the organization and are participants in the endeavour.

Q. There is no number set?—A. No.

The CHAIRMAN: Shall the item carry?

Carried.

We will now take up the supplementary estimates, page 2, item 766.
Shall the item carry?

Carried.

Item 767?

Carried.

Item 768?

Carried.

Item 769?

Carried.

Item 770?

Carried.

Item 771?

Carried.

Item 772?

Carried.

Item 773?

Carried.

Item 774?

Mr. FLEMING: Could we have an explanation of this item?

Mr. GREEN: Is 774 the operating expense of the international civil aviation organization?

Mr. HARRIS: That is our contribution to ICAO.

The CHAIRMAN: That was discussed?

The WITNESS: We did not make any reference to that. The budget of the organization for 1950 amounts to \$2,937,607 of which \$2,610,607 is to be financed by assessments, the difference being financed from casual revenue estimated at \$127,000, and from appropriation from the working capital fund of \$200,000 applied in aid of the budget. The contribution of the Canadian government, based on 15 units out of a total of 312½ units, amounts to \$125,509 for 1950. The amount of \$125,509 is submitted as a 1950 supplementary to cover this contribution. Since contributions are due as of the 1st of January 1950 it was felt that parliament should be asked to vote the amount so that the Canadian government will be in a position to pay its contribution when it becomes due plus the loss of exchange through devaluation.

Mr. GREEN: Can you say how much of the budget of ICAO is for ordinary administration expenses and how much is for building airports?

Mr. MORAN: We have to get that from the ICAO budget itself which is not available here tonight.

Mr. GREEN: Can you give us any idea of whether a large or small proportion of the money spent each year goes towards purchasing airports?

The WITNESS: The major portion is for administration. I am advised, Mr. Chairman, that it is practically all administrative cost.

Mr. GREEN: Have they very many airports?

The WITNESS: None at all.

Mr. GREEN: We were told this afternoon that they did have airports.

Mr. MORAN: No, I think this afternoon's discussion, Mr. Green, related to the navigational facilities which are established and not to airports.

The CHAIRMAN: Shall the item carry?

Carried.

Item 775?

Mr. FLEMING: Can we have an explanation of that one?

The WITNESS: The contracting parties at the second session adopted the following arrangement for the period August 16, 1948 to December 31, 1949. The total budget for this period amounted to \$76,000 and for the purpose of division of expense the contracting parties were classified according to six categories depending on their share of the total external trade. Canada was placed in category C and is required to pay \$5,500. The percentage of external trade for individual countries is based on the average 1938 to 1946 figures for each country. Payments of this contribution which falls due on July 31, 1949 is to be made in U.S. dollars or Swiss francs at the option of the contracting party. The contracting parties at the third session adopted a budget of \$302,139.02 for 1950. It was concluded that the best practical method of assessment would be to assess the contributions on the basis of the volume of the foreign trade of the contracting parties. As was the case for 1949 the scale of percentage of external trade for the individual countries was based on the average of the 1938 to 1946 figures for each country. Canada was placed in this category her share being over 5 per cent but under 7 per cent, and is required to contribute \$13,252, U.S. funds, for the period January 1, 1950 to December 31, 1950. It is that sum, the \$13,252 plus \$5,500 for the previous period that makes up the amount now requested.

Mr. FLEMING: Plus the exchange?

The WITNESS: Yes.

The CHAIRMAN: Shall the item carry?

Carried.

Item 776?

Carried.

Item 777?

Carried.

Item 778?

Mr. GREEN: Is this a new item?

The WITNESS: Near east relief. It is in the supplementaries as a new item. This was a contribution made by the Canadian government to the relief of Palestine refugees. It was a contribution in kind, the commodities in question being fish and white beans to the value of \$65,000.

By Mr. Fleming:

Q. When were the last of them supplied? I take it they have all been supplied by now.—A. Oh, I think so. They were shipped via eastern Mediterranean ports by Canadian Commercial Corporation. My recollection is that it was authorized by cabinet in the spring, sometime before March, because I was in another place; and they were shipped during the early summer months.

The CHAIRMAN: Shall the item carry?

Item 779 carried.

The WITNESS: The International Children's Emergency Fund. This item is to provide the sum of \$1 million for the cost of dried skim milk powder as a contribution to the International Children's Emergency Fund, and the amount of \$75,000 is to cover the cost of storage and shipment.

By Mr. Fournier:

Q. Where is the headquarters of this organization?—A. Let me correct my answer. It is now in the form of a contribution to contribute skim milk, dried and shipped.

By Mr. Bater:

Q. Has this anything to do with the United Nations or is it a separate matter?—A. Oh yes, it is under the auspices of the United Nations. I wonder if the committee would like to have a brief statement about it.

The International Children's Emergency Fund was established by a resolution of the General Assembly on December 11, 1946, primarily to care for the children and adolescents of countries which were victims of aggression. It operates under an Executive Board of twenty-five countries including Canada. The Canadian representative on the Board, Mrs. D. B. Sinclair, Executive Assistant to the Deputy Minister of Welfare, is chairman of the Programme Committee. The Fund's financial resources are provided from direct government grants, from the proceeds of voluntary fund-raising campaigns, and from certain residual assets transferred by UNRRA. Up until January 1, 1949, the Fund had received about \$110,000,000 from all sources. Approximately \$62,000,000 of this represented government donations from twenty-eight countries. The Canadian government contributed once, in 1947, a total of \$5,200,000. The United States government in 1947 authorized a total contribution of \$100,000,000 which was conditional upon grants being received from other governments. Thus for every \$28 contributed by other countries before June 30, 1949, the United States contributes \$72. Up until January 1, 1949, the United States had donated on this matching formula about \$42,000,000. The fund had launched an appeal for further contributions of \$20,000,000, which would release the remainder of the \$100,000,000 originally authorized by Congress.

2. The Fund has programmes at present in operation in thirteen European countries, in the Middle East, and in China and other war-devastated countries of the Orient. The method of operation is briefly as follows: "Protective foods" such as milk, cod liver oil and so on are supplied to governments requesting assistance on the condition that they furnish equivalent amounts of goods locally available. All local costs of administration, including salaries of locally engaged staff, are paid by the recipient governments. As the shortage of foods has eased, the Fund, with the co-operation of the World Health Organization, has engaged in medical relief work. The most important of its projects is the campaign for preventive inoculation against tuberculosis with the serum known as Bacillus-Calmette-Guerin which is being carried out with the assistance of the Danish Red Cross, acting also for the Norwegian and Swedish societies. It is expected that 50,000,000 children will be tested in Europe alone and that 15,000,000 will probably be vaccinated.

3. The Canadian representative on the Executive Board, in company with other members of the Board, made an inspection tour last summer in France, Poland, Czechoslovakia and Italy. In addition, heads of the Fund's missions in all European countries reported fully on the progress of their work. The Canadian representative states that as the result of

their personal tour supplemented by these progress reports, all members of the Board were satisfied that the assistance provided really reached the intended recipients and that all receiving governments, including those of the satellite countries, were giving co-operation. The following are the chief methods by which these results are achieved: (a) Distribution of food is made through school feeding programmes and other community food projects, and food supplied by the Fund is thus consumed on the spot. Supplies are distributed to centres in small quantities and at short intervals. Inspection is frequent and unannounced. Diversion of goods or discrimination in their distribution is thus easily checked; (b) Owing to the "matching principle" on which the Fund works, the recipients do not get help unless they are prepared to co-operate very fully; (c) Heads of missions and key staff members are international civil servants, never nationals of the country in which they are stationed.

The CHAIRMAN: Shall the item carry?

Carried.

Shall item 51 to 70 including all the supplementary estimates carry?

Carried.

Shall items 766 to 779, including all further supplementary estimates which were referred to our committee carry?

Carried.

Now, we have with us this evening Mr. Arthur Menzies, who is head of the American and Far Eastern divisions. Do you think we have done enough work for the night?

Mr. FLEMING: It is 10 o'clock and we have disposed of the estimates. Should we not hear from Mr. Menzies some day next week?

The CHAIRMAN: Here is Mr. Menzies now.

Mr. HARRIS: Before we go on, I think a formal motion is in order on the estimates, so I move that the chairman report back to the House that the estimates which were referred to us have been approved by the committee.

The CHAIRMAN: You have all heard the motion. Does the resolution carry?
Carried.

Mr. HARRIS: I think there is a misprint in the last item. It refers to item 799 rather than to item 779.

The CHAIRMAN: That will be corrected.

Mr. GREEN: Will the Under Secretary be here again? If not, I am sure that the members of the committee will appreciate the way in which he has explained the estimates to the committee and answered the questions which were put to him. I personally feel that he did a splendid job.

The WITNESS: Thank you, sir.

The CHAIRMAN: Now, together with all the members, I thank you, Mr. Heaney, as well as your officials. They were very good in their presentations.

Mr. FLEMING: Will ye no come back agin?

Mr. McCUSKER: I think we should express our thanks to his staff as well.

The WITNESS: Thank you very much, gentlemen. Rather to my surprise we have all enjoyed it.

Mr. McCUSKER: And our thanks as well to Mr. Moran.

The CHAIRMAN: I now call Mr. Arthur Menzies.

Mr. FLEMING: Are you going to start with Mr. Menzies tonight?

The CHAIRMAN: Well, I am entirely in the hands of the members.

Mr. MUTCH: Shall we finish tonight if we hear Mr. Menzies now?

Mr. FLEMING: It has been a long session.

The CHAIRMAN: Mr. Fleming seems to be tired. He is a hard-working young man. But I think we will proceed.

The WITNESS: I was going to suggest if it is agreeable to the members of the committee that the time of the committee might be best employed if Mr. Menzies were to make a short introductory description based upon the information available to the department from our mission in Nanking, and from other sources. He will speak on conditions now existing in China as we know them to be, for ten or fifteen minutes. Then possibly the members of the committee, if it is agreeable, might ask questions which Mr. Menzies would try to answer. I do not know if that is the kind of procedure you want, but Mr. Menzies and I had a word about it and we thought that might be the way you would like to have it.

The CHAIRMAN: I believe it is now in order for Mr. Menzies to make his statement, which will be mostly about the China situation.

**Arthur Menzies, Head of the American and Far Eastern Division
of the Department of External Affairs called:**

The WITNESS: I regard it as a privilege to be able to say a few words about the situation in China. I hope the members of the committee will bear with me, due to the shortness of the notice given and particularly because of the difficulty which we have at the present time in getting information from our officers in China. I think most of the committee members will know that in the transaction of business between our missions abroad and the home department here in Ottawa, there is a system by which official despatches are sent normally by courier, giving us confidential appreciations of the situation as it develops from week to week or you might say, from bag to bag.

Now it has been impossible for us to receive from China anything in the way of confidential reports since the fall of Nanking in April of this year. However we have been receiving a number of telegraphic reports and from time to time it has been possible to get out unclassified reports by mail and to receive reports by word of mouth from our officials as they return.

Perhaps if I might retreat for a few minutes of the date of April 1949 which was the fall of Nanking. Let us go back about a year from today's date, that is, to October 1948. The first evidence that the National Government was in military difficulty appeared in Manchuria when Mukden and other cities were beginning to fall and it was necessary for the National Government to shorten its lines. Progressively after that in January 1948 the north China cities of Peking and Tiensin which had been held as Nationalist salients fell, and the communists moved further south. From that period we were naturally concerned about the safety and welfare of Canadians in north China. Our ambassador in Nanking in consultation with the British consular authorities on the spot did what he could to assist the Canadians through warnings and through arrangements for transportation to leave the area if they cared to do so.

The movement of the war, as you all know, came to a halt at the Yangtse during the late spring. It leapt the Yangtse in late April and Shanghai fell in May. Then it progressively moved south to Canton which fell in October.

Today the National Government forces are divided up into three main pockets: one which is located in Formosa and Hainan Island to the south; another in the middle south under the Pai Chung-hsi, who has probably the largest and

most efficient army; and a third group in west China in Szechwan province where there are probably a couple of hundred Canadians. There has been almost complete collapse of the government positions in the northwest.

Now, I think the question that we may well ask ourselves in these circumstances is what becomes of the Canadians in the communist territories of China or those territories which are threatened with being overrun by the communist forces. Naturally, each one of the Canadians who saw this lengthening and darkening shadow coming had to weigh for himself what his purposes were in China. I think it is not for a government official to pass a pronouncement of any kind on the objects of Canadians there. Each one had to make his own decision. A great number of missionaries who probably constitute three quarters of the Canadians in China, both Protestant and Roman Catholic missionaries, decided they would stay on; that they had certain long-standing obligations to the people in the territories where they were working which they did not wish to pass up. And they have stayed on to make an effort at least to continue with their work. Whether or not they will be permitted to do so by the new authorities I think they and we will have to see as the months progress. A few Canadian businessmen also remained on in Shanghai, or those who had investments of one kind or another, in the hope that in due course it would be possible to resume trade and normal relations between Canada and China.

I think it would be a natural question to ask what the government is able to do for those people. We maintain an Embassy in Nanking and a Consulate-General in Shanghai. Well, in the first place the communist authorities do not recognize the position of our Embassy in Nanking or the position of any consular officers of powers which have not recognized their so-called Central People's Government of the People's Republic of China, which was set up in Peking on the first of October. We have constantly tried to impress upon the Chinese, whoever the local authorities are, that we feel that our consular officials should be permitted to carry on their functions, their internationally recognized functions, of giving assistance and protection to Canadians there. Their position is not now officially recognized by the local communist authorities, but I feel reasonably confident that having those officials there even in an unrecognized capacity has a certain steadying effect on Canadians there. Our Ambassador has been in communication with all of those Canadians who have kept their addresses up to date with our Embassy and Consulate-General in Shanghai, but I think we should also remember here when going over the numbers of Canadians in China that it is not compulsory for any Canadian abroad anywhere to register. There is no law or anything else that requires a man to register at his consular office except if he wishes to record a birth or something of that kind. In those circumstances we can never be certain, particularly at times when mails are most uncertain, whether we have all of the names of the people who may be in the areas overrun or threatened by the communists. Perhaps that is sufficient as a preliminary statement.

By Mr. Graydon:

Q. Might I ask Mr. Menzies one question with which a great many people are concerned. I understand that the West China Union University of the United Church which I understand is at Cheng Tu is recognized by all as doing a wonderful piece of work particularly with respect to their medical school and hospitalization there. I think someone today mentioned there was something like two hundred and fifty Canadians in that general territory. Have you any information, Mr. Menzies, as to the possibilities of their carrying on that work after the communists gain control if they do succeed in gaining control?—A. Well it is certainly a decision for the missionaries themselves to make. There are two or three general observations that can be made. The first is that the Canadian missionaries, like other missionaries out there, whether

they are Protestant or Roman Catholic, have established for themselves a very enviable reputation in their immediate locality. And in China where communications are generally so very poor that means that local interests have a very stabilizing effect on their immediate locality, so that an outside, shall we say, communist government coming into the area would be conscious of the susceptibilities and interests of the local population which would be served in a very large measure by the schools, by the hospitals, and by the other philanthropic works that are carried on by the missionaries in connection with their particular missionary program. I fancy that even the Chinese communists would be anxious for that part of the work that was perhaps not strictly spiritual to be carried on because of the great lack of technically qualified people in China today. So, I would give it as my view that the missionaries of West China Union University, like other missionaries, have a fair chance of being able to try out at least into the coming months continuing their work there. Whether or not it will prove practical after one or two years is, I think, up to the individual missionaries to assess as time goes on. But I think most of them feel that this immediate transition period can be surmounted as it has been surmounted in other areas. By and large there has been less anti-foreign demonstration than might have been expected considering the tone of the communist propaganda.

By Mr. Fraser:

Q. Is that owing to the fact that these communists coming in have been in contact with the missionaries in other sections before?—A. That is right.

Q. And have mixed with them for perhaps years?—A. Yes. I think that the number of straight died-in-the-wool communists within the communist ranks is, perhaps, not very large and there is a great number of others who for a variety of reasons are going along and many of whom have acquired their education in mission institutions, and many of them have come in contact with westerners in various places and I think are inclined to let them alone.

By Mr. Graydon:

Q. Since you are not an ambassador, Mr. Menzies, I suppose I can ask you some questions about China. I would like to ask this one question. In the papers recently, in the last few days, there have been reports of a third force emerging out of the confused Chinese situation. No doubt you have read that. It would be a movement in between reactionary forces of the generalissimo and the communists on the other hand. Have you any authentic information with respect to the possibility of that force or movement attaining any significant position in the present situation there?—A. That is a pretty difficult question because the information which we have is that normally available to the public. As I understand it the reports referred to a group headed by the acting president who has retired to Hong Kong with some gastric ulcers or something like that. I doubt very much though whether too much importance should be attached to a third force emerging at this rather late hour. But that is entirely speculation and I think it would be difficult to put a finger on anything definite.

Q. From the information that you get from the Chinese situation does the department feel that the present government, the new government that is taking over in China, is apt to be more communist than Chinese in character or more Chinese than communist? Where would the emphasis be?—A. Well, I think that Mr. Pearson in his statement to the house indicated the communist ideology and communist international associations of the present new regime. It has been a fact of Chinese history that the four hundred and fifty million people with their long and very deep cultural traditions have had over a period of time an influence on every alien philosophy that has been introduced into China, and

I would certainly call communism alien to the Chinese tradition; but I think it is entirely premature to come to any judgment at this time on that particular question that you asked. I doubt if that would appear for some time to come.

Q. May I ask you one other question? Have any Russians been appearing on the scene in China during this change or since the change took place?—A. Oh yes, Russians have. Perhaps I should put it this way. There was a Soviet ambassador in Nanking. The Soviet ambassador is Mr. Roschin. He moved to Canton at the time when the National Government moved its capital there, about the 20th of April. They left a certain caretaking group in the embassy in Nanking. Then when the new government was proclaimed in Peking about the first of October the Soviet government immediately recognized that government, and so did the other satellite governments including Yugoslavia. The Soviet ambassador had in the meantime returned to the Soviet Union leaving only two or three in Canton, and he came immediately to Peking and since then reports have it that perhaps two or three hundred Soviet workers and technicians have appeared on the scene—particularly in Peking and Tientsin. Not many have appeared in Shanghai as yet.

Q. There has been a somewhat substantial immigration from the Soviet into the country since?—A. Two or three hundred in a country like China is not a very large figure, just a blot on the landscape. There may be that many or more in Manchuria.

Q. You don't need many communists in a country to make their presence felt though.—A. No, I certainly agree with you on that.

Mr. FOURNIER: What about at the head of the army over there, are there any Russian generals?

The WITNESS: Not at the head of the army. The head of the army is General Chu Teh, and he has been closely associated with Mao Tze-tung since the days when they were fighting the nationalists in the early thirties in Kiangsi; and many of the leading army corps commanders are old lieutenants of his, associates of twenty years. But on the question of Soviet advisers or technicians, that is something on which it is difficult to have a great deal of information at this time because the western representatives are not permitted to travel around at all in China and that makes their powers of observation somewhat limited.

The CHAIRMAN: Mr. Menzies, have you any idea of the dislike or hatred that the Chinese must naturally have against the Russians on account of old scores they have to settle with them? I have in mind, for instance, Manchuria and the war they had at the beginning of the century in connection with outer Mongolia and so on. Is there any tangible evidence of the dislike which the Chinese people must naturally have against the Russians for infringements on their territory which have occurred during the last century or so?

The WITNESS: I would think there would be the basis for a certain degree of enmity there. That might build up in time.

By Mr. Fleming:

Q. Is there anything to distinguish the attitude of a communist of China toward Canada, the attitude of any of its nationals or its government, or anything of that kind?—A. Well, sir, most Canadians in China are regarded as Britishers by the ordinary Chinese. They are almost entirely known as Englishmen to the Chinese. I doubt very much if they make a particular distinction between Canadians and the people of other countries. I think Canadians are generally pretty favourably regarded because of their missionary activities in China and for their philanthropic work. I have in mind, particularly, Canada's contribution in connection with Canadian Aid to China during the war and after the war when some seven million dollars was given; the Canadian Red Cross and the Friend's Ambulance Unit; and that, with the work of the missionary organizations

has tended to become known among the Chinese; and, in general, I think that Canadians are regarded in a friendly light.

Q. And what about the attitude of the communists?—A. Well, when we speak of the Chinese we generally regard them as one group.

Q. I am not speaking about the Chinese people generally, I am speaking about the communists and the communist government.—A. Well, I think probably they have no more affection for us than they have for any of the other western powers, although the size of our country is not as likely to draw attention.

Q. Is there any distinction between an American on the one hand and any of the others, including ourselves?—A. I think probably the United States has been singled out at the present time as the target of the anti-imperialist propaganda. Usual propaganda technique would seem to be to focus attention on one country, and the United States seems to be the principal one at the present time.

Q. What extra features would flow from recognition of this regime in China, apart from the usual ones and apart from this extraordinary one of the communistic government taking its place on the permanent seat at the United Nations; are there any other permanent features that flow from recognition?—A. The question of Chinese representatives abroad certainly creates a problem in all countries, especially where there may be a sizeable Chinese population, such as in Malaya; and there is the question of Chinese representation in a vast group of international organizations besides the United Nations, organizations like the Far Eastern Commission and the Allied Council in Japan; and the question as to how this will affect the Japanese peace treaty negotiations; and other factors of that kind that have to be considered and taken into account.

Q. What results can be expected in these smaller countries south of China? I am thinking particularly of Siam and Burma, where communist agents have been very busy already stirring up all kinds of trouble. Is there any reason to expect more trouble, or the manifestation of more trouble if Chinese communists marched down to the northern borders of those countries?—A. I think that is a very difficult question to answer. There are factors which bear on both sides. You raised two angles on that question. One was the appearance of communist troops on the borders of the country. Now, that certainly is going to have a disquieting effect, particularly in French Indo-China. Burma has a rather hazardous border that is very mountainous and it is not easy to push over that border, particularly with the decay of the Burma Road. It certainly would create a problem on the borders of Indo-China, but I am sure that the people of Indo-China and the government there will be aware of it.

By Mr. Green:

Q. Can you tell us something about the Far Eastern Commission?—A. Yes; what part of its activities would you like to know about?

Q. Is it really taking any part whatever in the determination of the policy in Japan?—A. Well, the Far Eastern Commission was set up, as you know, early in 1946 with eleven powers represented on it. I have its terms of reference here but I am sure you do not want those. It was to develop principles and policies that the Japanese government itself should adhere to in fulfilling the terms of the surrender signed on the U.S.S. *Missouri* on September 2, 1945. At the same time it was not to interfere directly in the administration of Japan which was the responsibility of the Supreme Commander for the Allied Powers.

The Far Eastern Commission was to arrive at its decisions—so-called policy decisions—by a majority vote but with the concurrence of the four big powers—China, the Soviet Union, the United States, and the United Kingdom. It was originally envisaged that it would perhaps operate for a two or three year period prior to the convening of the Japanese peace conference. The difficulties that

have come up in the way of the working of the Security Council with its veto powers have also come up in the Far Eastern Commission although its work has been carried on in camera.

The international conditions under which a settlement with Japan was originally envisaged in the initial work of the Far Eastern Commission changed a great deal with the growth of certain underlying tensions in the Far East that have been magnified since that date. The Far Eastern Commission is still making some progress in relation to some of the smaller problems but the great fundamental ones, such as levels of industry in Japan, reparations and so on—well, little progress has been made in the last year or so and I think it is only natural to expect that an organization set up for a temporary purpose and, particularly in view of these underlying tensions, and with a veto power, should slow down after a certain length of time.

Q. It is really not functioning very effectively at the moment?—A. It is not functioning very quickly. It depends upon whose definition of effectiveness is given. In our view it is not effective.

By Mr. Graydon:

Q. May I ask one more question about China? Has any move been made by Chiang Kai-Shek to form a government in exile, as has been done in some other similar circumstances in other countries?—A. There is no reason to form a government in exile at the present time. The government began to withdraw from its most recent seat in Chungking to Chengtu the other day. It still commands twenty per cent of the territory of China. It still has quite a large and reasonably secure base in Formosa with an air force, the navy and a fairly substantial army of 400,000 men.

Q. I take it your view is then that the Nationalist government can hold out for some considerable time and that there would not be any necessity for any plans for an exile administration?—A. If they are planning an exile administration I am not aware of it.

By Mr. Green:

Q. What is the attitude of the communist government towards trade with the western countries?—A. I think they are anxious to resume trade as it appears to be advantageous to them. They have taken over some of the trade monopolies of the National government in the export field and I am given to understand they have expanded them. They have imposed a great number of regulations to ensure that the small amount of goods they have for export that are valuable to the world will bring them as much in the way of returns, of the type of thing they consider to be essential to their country, as possible.

Q. Is trade being carried on there to any extent?—A. There is a fairly considerable amount of trade at Tientsin.

Mr. FRASER: Have they taken over any Canadian interests?

The WITNESS: Not that I am aware of.

Mr. BATER: Is it safe to conclude that the communist control about 80% of China at the present time?

The WITNESS: It is very difficult to say, with rough areas of China and vast spaces in the northwest which may not be immediately occupied but which are not densely inhabited. There are areas in south Sinkiang and Nearer Tibet and so on which are very extensive in size and therefore the figure may run anywhere from 70% to 80%.

By Mr. Winkler:

Q. I understand the witness to say that communist China does not recognize the embassies of countries which do not recognize it?—A. Yes.

Q. Well, then, in our case—Canada's case—to whom would she be able to make official contact within those occupied territories?—A. Through whom would the communist government be able to make contact?

Q. No, to whom would Canada make official contact?—A. We are not making any official contact with the communist government because we do not recognize it as the government of China.

Q. Suppose difficulties arose in connection with Canadians marooned over there and something had to be done—a protest had to be made in regard to their treatment—A. All Canadian officials in China at the present time have consular status, in addition to any diplomatic status which they may have. It has been our view, as I tried to point out earlier, that regardless of whether there is recognition of a government which proclaims itself, consuls should be able to carry on their normally recognized functions. It is the function of the consul to get in touch with the local authorities—whoever may be in control—and that does not constitute an act of recognition.

Mr. GREEN: Is there any trade out of Hong Kong to Shanghai?

The WITNESS: There is a certain amount of trade going through Shanghai by the so-called blockade runners but I would not want to pay the insurance on the cargos myself.

Mr. GREEN: That is the Nationalist blockade?

The WITNESS: Yes.

Mr. DICKEY: What is the status of that blockade under international law?

The WITNESS: The Canadian government has indicated that it does not recognize the blockade as being legal under international law because it cannot be made effective.

Mr. DICKEY: It is not on the basis that the government is still recognized, or anything of that kind?

The WITNESS: No.

By Mr. Fleming:

Q. Would you say the communists are doing anything to court recognition by the western nations as a government?—A. No, they have rung the dinner gong and they think we are all going to come and get it.

Q. They are following a fairly independent and aloof course in this regard?—A. I would say that the Chinese communists are perhaps misguidedly feeling that we will all wish to come to them more quickly than they will feel the necessity of coming to us. They have asked all governments to recognize them. That is the normal practice of a revolutionary government which sets itself up. They proclaim themselves a government and then they invite recognition from governments which are prepared to recognize them and so notify their representatives in China. Our representative has been so notified.

Mr. DICKEY: I just wonder if you can tell us whether we have any definite indication of the source of military supplies and equipment for the communist government armies in China—any reliable indication?

The WITNESS: Well, I am not a military man myself, but there was a fairly substantial communist army in China at V.J. Day which had acquired some of its equipment from purchase in the country. Some, I believe, was acquired through the national government when they were in alliance with the national government. Some was captured from the Japanese. The biggest stockpile came into their hands in Manchuria when the Russians withdrew and left fairly large quantities of Japanese arms and some arsenal equipment, the extent of which I do not know. They captured great quantities of American equipment from the nationalist armies particularly in the later phases of the war when divisions and

armies turned over. How much they may have obtained from other sources, such as the Soviet Union, I have no way of telling.

The CHAIRMAN: I believe that the ground has been pretty well covered.

By Mr. Dickey:

Q. I have one further question. You mentioned that you had not been able to get these confidential reports by means of the ordinary couriers you usually depend upon. I presume that lack to some extent has been made up by the presence of the ambassador in Ottawa and by his reporting to the department personally. Is that correct?—A. Yes, but that is an expendable resource in this sense, that we cannot get any officials back into China. We had six to start with, and we have peeled off two bills from our roll, so we have got four left. But we cannot keep on seeling them off and still have anybody left. We cannot get any more people in. We are anxious to get replacements in because there is a certain amount of personal hardship suffered by the people involved remaining on duty there separated from their families. We have indeed got a great deal of information from Ambassador Davis in his reports here as well as from some others who have come out.

By Mr. MacInnis:

Q. You are not getting anything out now?—A. Not by confidential bag. We are getting some direct mail out through the ships which run infrequently into Shanghai and we have telegraphic communication still.

By Mr. Fleming:

Q. Has any of that mail been censored by the communist government representatives?—A. Not that we are aware of.

By Mr. Green:

Q. Are you filing a report of the Far Eastern Commission?—A. We have filed one every year in the House as it has been published. It is published annually about February, and I assume that when the next session of the House comes around, there should be another report. But even there, in getting agreement on these reports, the veto comes in sometimes and slows them down for two or three months.

The CHAIRMAN: On behalf of the committee I thank you most sincerely, Mr. Menzies, for your fine and entertaining report.

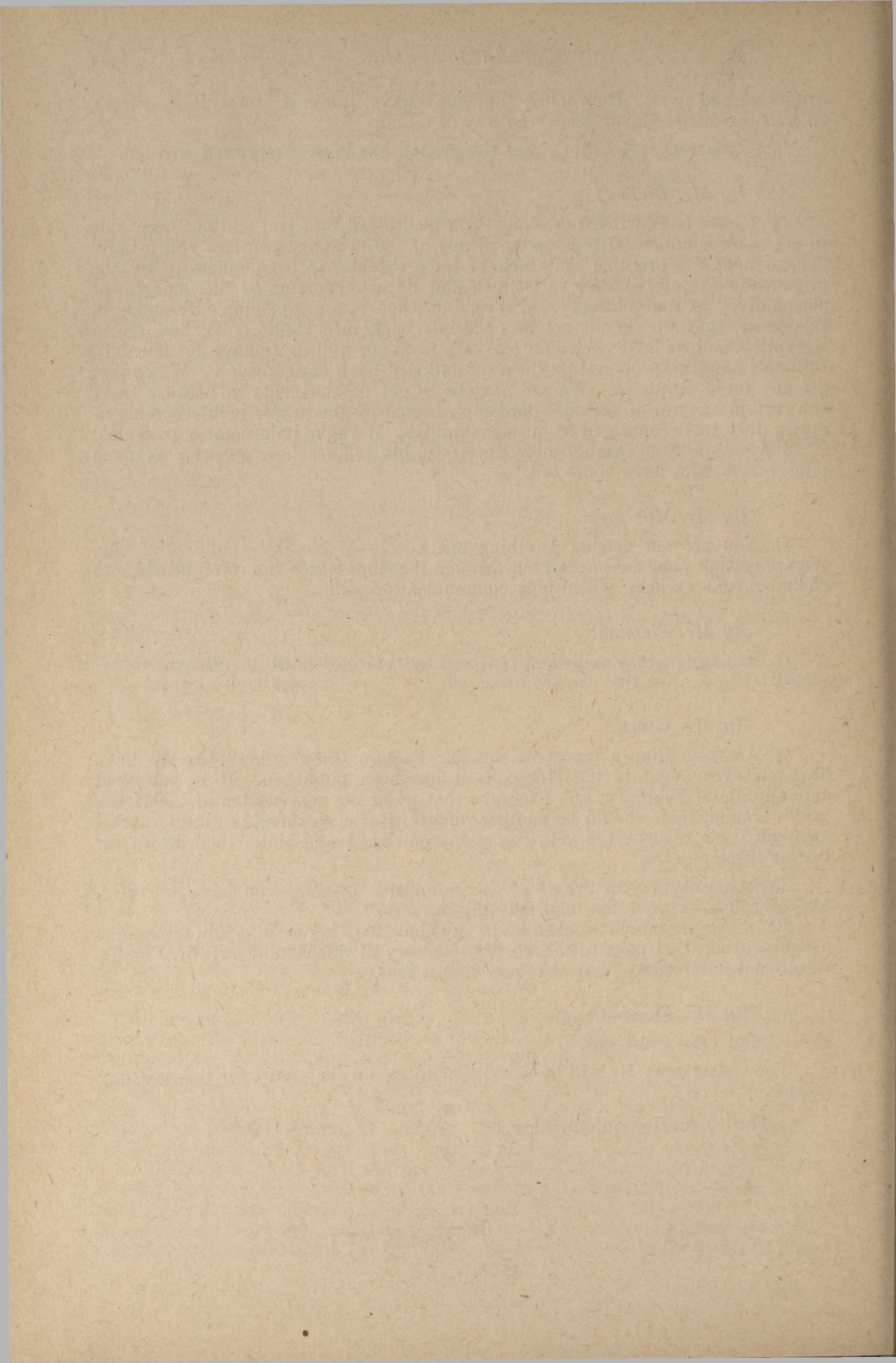
Before we adjourn I would like to say that there is one man whose name is never mentioned. I refer to the worthy secretary of this committee, Mr. Plouffe, who is not only efficient but also very industrious.

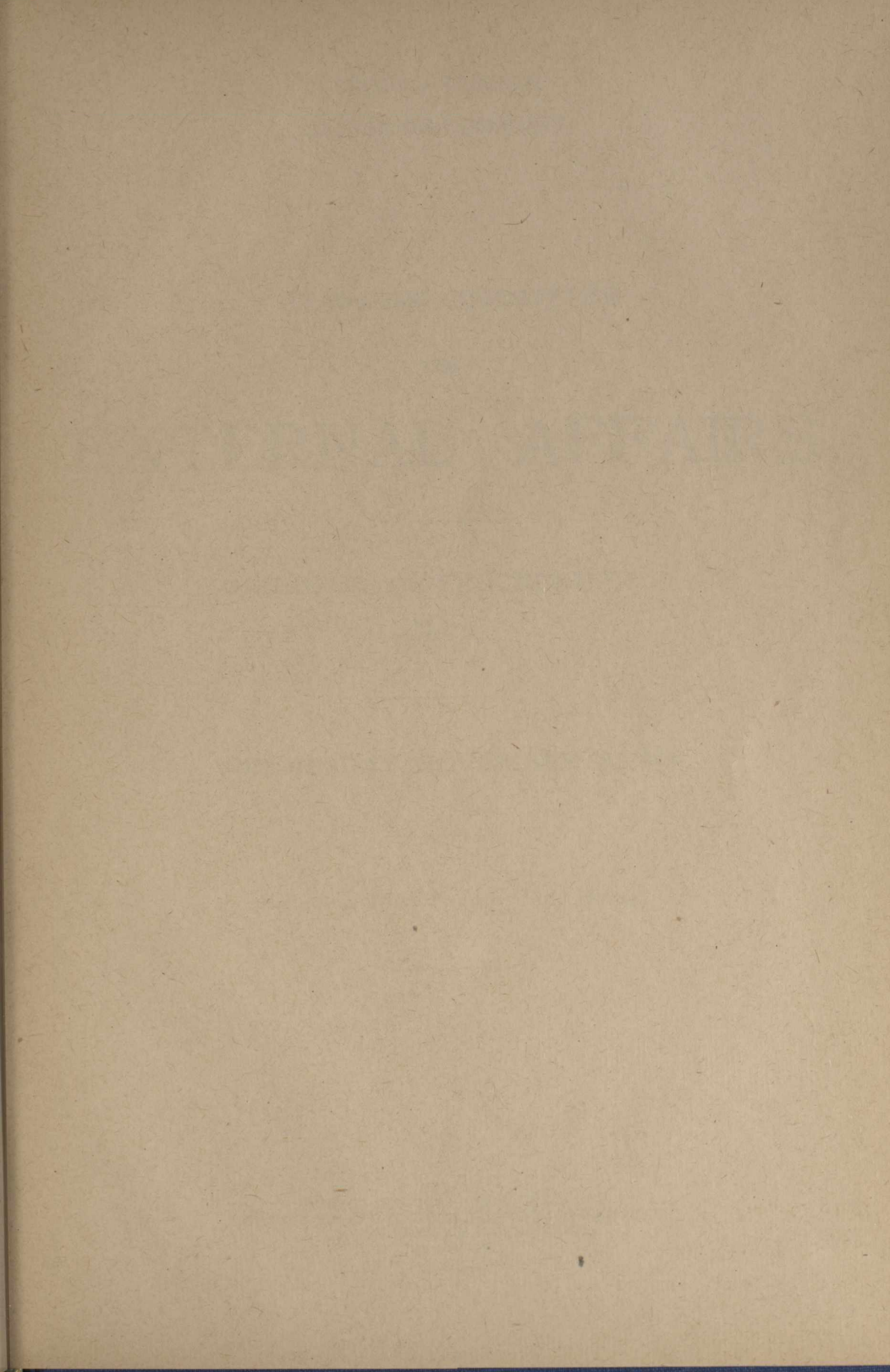
By Mr. Fleming:

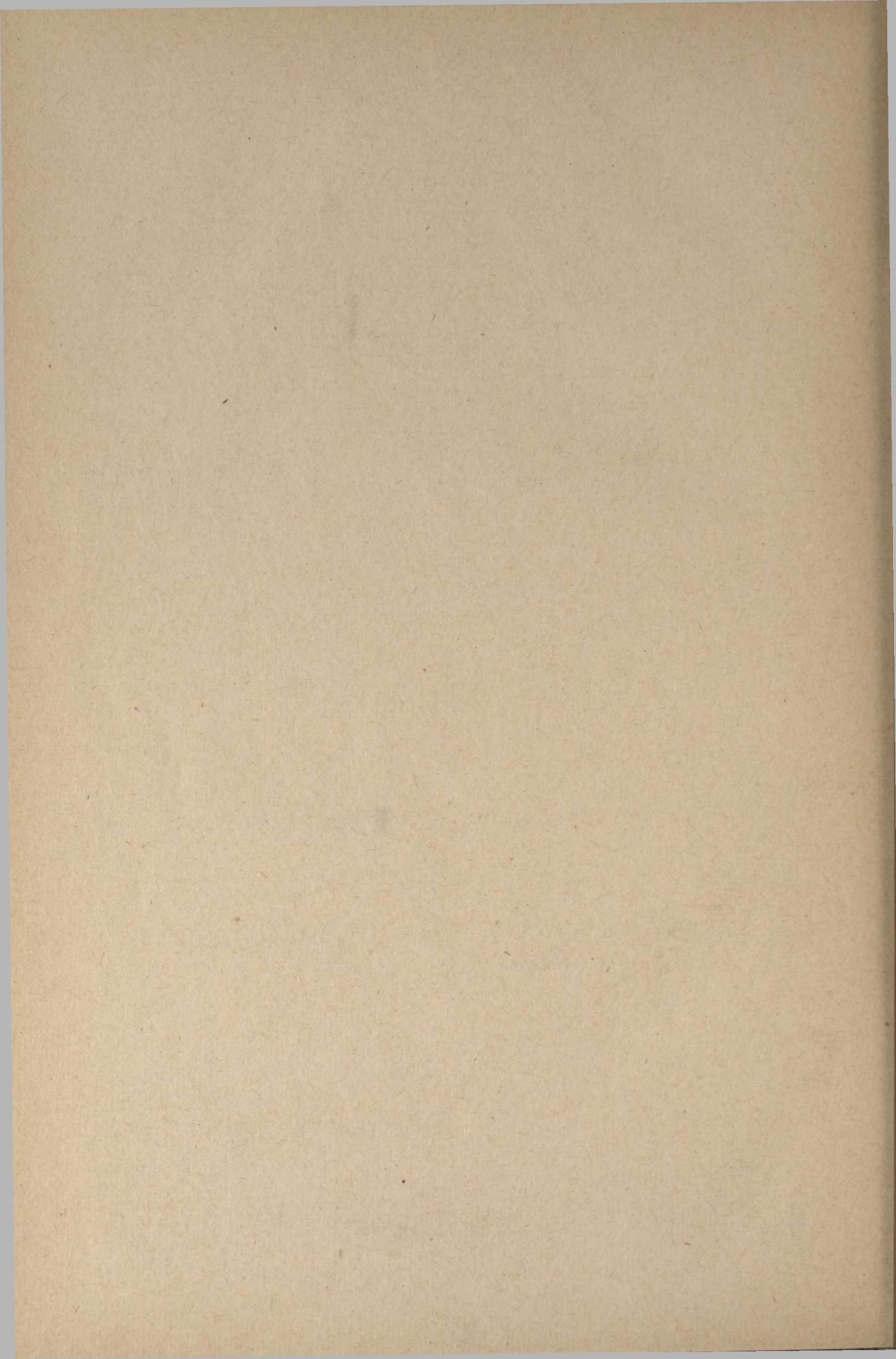
...and very courteous.

The CHAIRMAN: He will be working with me on the report for the next day or two.

—The committee adjourned.







1949

SECOND SESSION
HOUSE OF COMMONS

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS

No. 5

WEDNESDAY, NOVEMBER 30, 1949

Including Third Report to the House

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1949

REPORT OF THE
COMMISSIONERS OF THE

STANDING COMMITTEE

ON

EXTERNAL AFFAIRS

MINUTES OF PROCEEDINGS

IN

WEDNESDAY, FEBRUARY 23, 1944

REPORT OF THE COMMITTEE

PRINTED BY THE GOVERNMENT PRINTING OFFICE
WASHINGTON, D. C.

CORRIGENDA

Minutes of proceedings and Evidence—No. 3—Wednesday, November 23, 1949.

Page 78. 27th line thereof—the figure 39·89 should read 39·79.

Page 82. 15th and 16th lines thereof, the words “strict and” are deleted and the word “strictly” is substituted therefor.

Page 83. 9th line thereof, the word “secretariat” is deleted and the words “diplomatic staff of the mission” are substituted therefor.

CONTENTS

1. Introduction 1

2. The History of the Church 2

3. The Doctrine of the Church 3

4. The Ministry of the Church 4

5. The Sacraments of the Church 5

6. The Church and the World 6

7. The Church and the Future 7

8. The Church and the Mission 8

9. The Church and the Unity 9

10. The Church and the Love 10

MINUTES OF PROCEEDINGS

WEDNESDAY, November 30, 1949.

The Standing Committee on External Affairs held an executive meeting at 3.30 o'clock.

Mr. Joseph A. Bradette, Chairman, presided.

Members present: Messrs. Bradette, Breithaupt, Cote, (*Matapedia-Matane*), Croll, Dickey, Fleming, Fournier (*Maisonneuve-Rosemont*), Fraser, Graydon, Hansell, Harris (*Grey-Bruce*), Leger, MacInnis, McCusker, Mutch, Picard, Robinson, Stick, Winkler.—19.

The Chairman presented the following report of the Agenda Committee, viz:—

A meeting of the subcommittee on the Agenda was held in the forenoon at which Messrs. Bradette, Beaudoin, Graydon, Hansell, Harris, MacInnis and Winkler were present.

After discussion, it was agreed to submit to the consideration of the Committee the attached draft of a proposed third report to the House.

The Committee considered the said draft.

After discussion, the said draft was amended and adopted as amended.

Ordered,—That the said report be presented to the House as a Third Report.

Ordered,—That a letter dated November 29, 1949, sent by Mr. A. D. P. Heeney to the Chairman of the Committee be incorporated in the printed record.

(*See appendix to this day's minutes of proceedings.*)

At 4.30 o'clock, the Committee adjourned to meet at the call of the Chair.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

of the Board of Directors

of the [Company Name]

for the year ending [Date]

at a meeting held on [Date]

at [Location]

The meeting was presided over by [Name]

and attended by [Name]

[Name]

[Name]

[Name]

[Name]

[Name]

[Name]

[Name]

[Name]

[Name]

[Name]

[Name]

[Name]

[Name]

[Name]

[Name]

[Name]

REPORT TO HOUSE

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

THIRD REPORT

In the course of its recent study of the Estimates of the Department of External Affairs, your Committee received the latest information on the particular items referred and was impressed by the activities of that Department, its co-operation with other Departments of the Government, its active and real participation through delegates and representatives in the work of the United Nations, and its specialized agencies, and the numerous international conferences.

In regard to United Nations activities, your Committee notes with satisfaction that Canada was honoured in having the head of the Canadian Delegation elected Chairman of the Political and Security Committee of the General Assembly.

Your Committee considered the contribution made by Canada to the Budget of the United Nations and approves the representations made by Canada's delegates at the present session of the General Assembly to the Budget and Administrative Committee thereof for reconsideration of the amount of contribution by the various member nations.

Your Committee draws attention once more to the following recommendation made by the House of Commons External Affairs Committee in July, 1946:

On the question of financial commitments, your Committee recommends that the Department of External Affairs take whatever steps necessary to insure adequate controls over expenditures of Canada's contributions to the various international bodies on which Canada is represented.

Referring to the Passport Office administration, your Committee expresses satisfaction at the Government's announced decision to provide adequate accommodation for this Office. Your Committee notes with satisfaction that there is now no delay in the issuance of passports.

Evidence was given respecting the aims and activities of the United Nations Association in Canada and its relations with the Department. Your Committee recommends that the Government consider the advisability of increasing its grant to this Association in the future.

Pursuant to suggestions made in the House and in the Committee, your Committee recommends that consideration be given to introducing legislation at the next session to change the designation of Secretary of State for External Affairs to Minister of External Affairs.

A copy of the printed evidence adduced is appended hereto.

All of which is respectfully submitted.

J. A. BRADETTE,
Chairman.

ALL THE WORLD

A collection of the most beautiful and interesting stories from all over the world.

THE END OF THE WORLD

The world is a vast and wonderful place, full of many different people and customs. It is a place of beauty and wonder, and it is our duty to explore and understand it.

There are many different cultures and languages in the world, and it is important to respect and appreciate them all. We should learn from each other and work together to make the world a better place.

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APPENDIX

OFFICE OF THE UNDER-SECRETARY OF STATE FOR EXTERNAL AFFAIRS CANADA

OTTAWA, November 29, 1949

Dear Mr. Bradette,—I should like to call your attention to two statements of mine before the Standing Committee on External Affairs which I now find to have been in error.

As reported in my evidence on Thursday, November 24, I told the Committee that I believed the United Nations Association had not made any formal request for an increase in their grant. I have now discovered that, earlier this year, the Association did make a request to my Minister for an increase in the grant from \$5,000 to \$10,000.

In speaking of the World Health Organization on the same day, I gave the impression that the Soviet Union and the other Communist countries in Eastern Europe were all collaborating in the work of this Specialized Agency. This was, in fact, the case until some months ago when the U.S.S.R., the Byelo-Russian Soviet Socialist Republic, and the Ukrainian Soviet Socialist Republic withdrew from W.H.O. The other Eastern European countries are, however, still members, and this remains one of the unusual examples of useful collaboration with these countries.

I regret having made these mistakes of fact and would be grateful if they could be drawn to the Committee's attention with my apology.

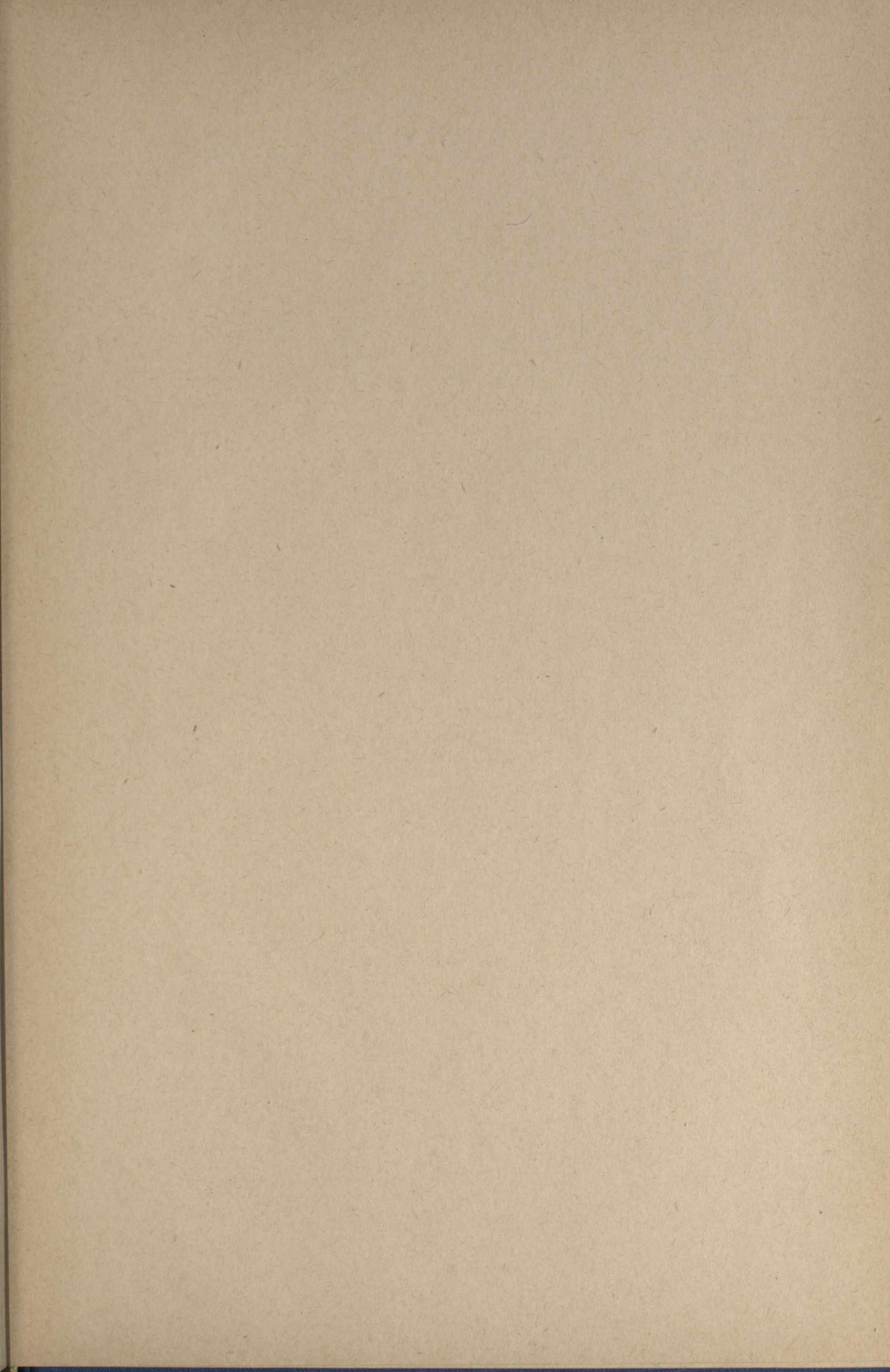
Yours sincerely,

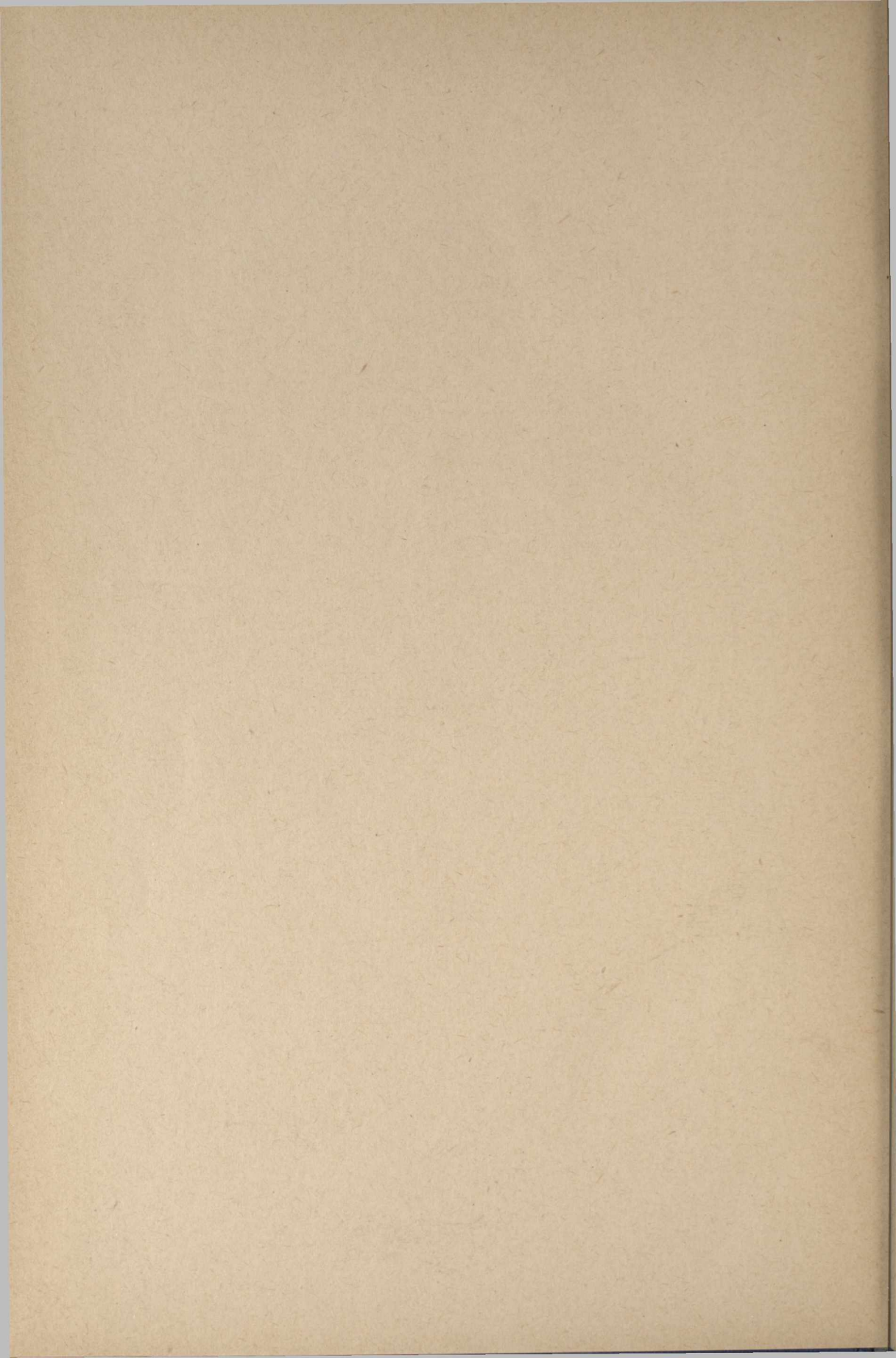
(Signed) A. D. P. HEENEY.

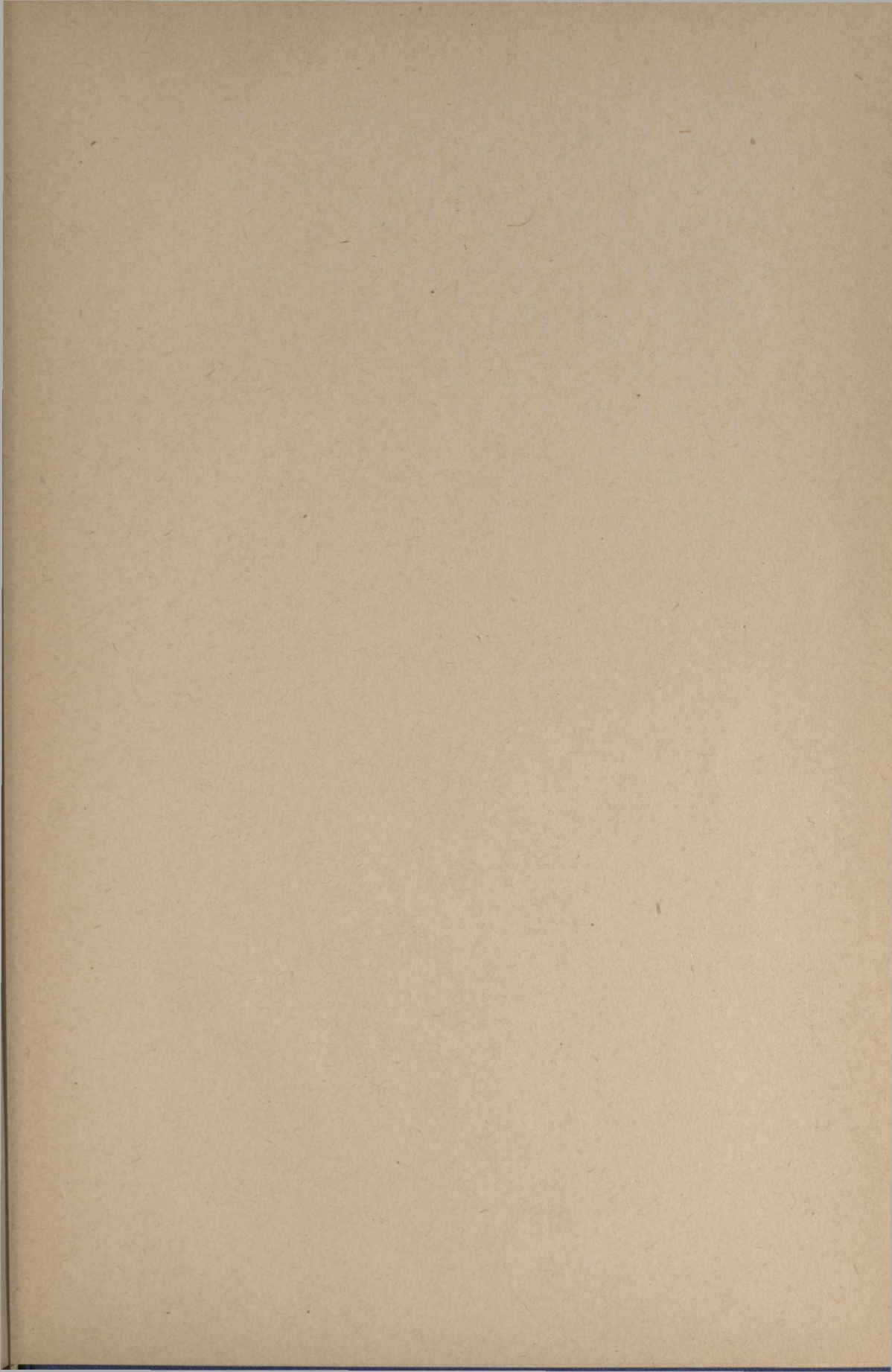
J. A. BRADETTE, Esq., M.P.,
Chairman, External Affairs Committee,
House of Commons,
Ottawa.

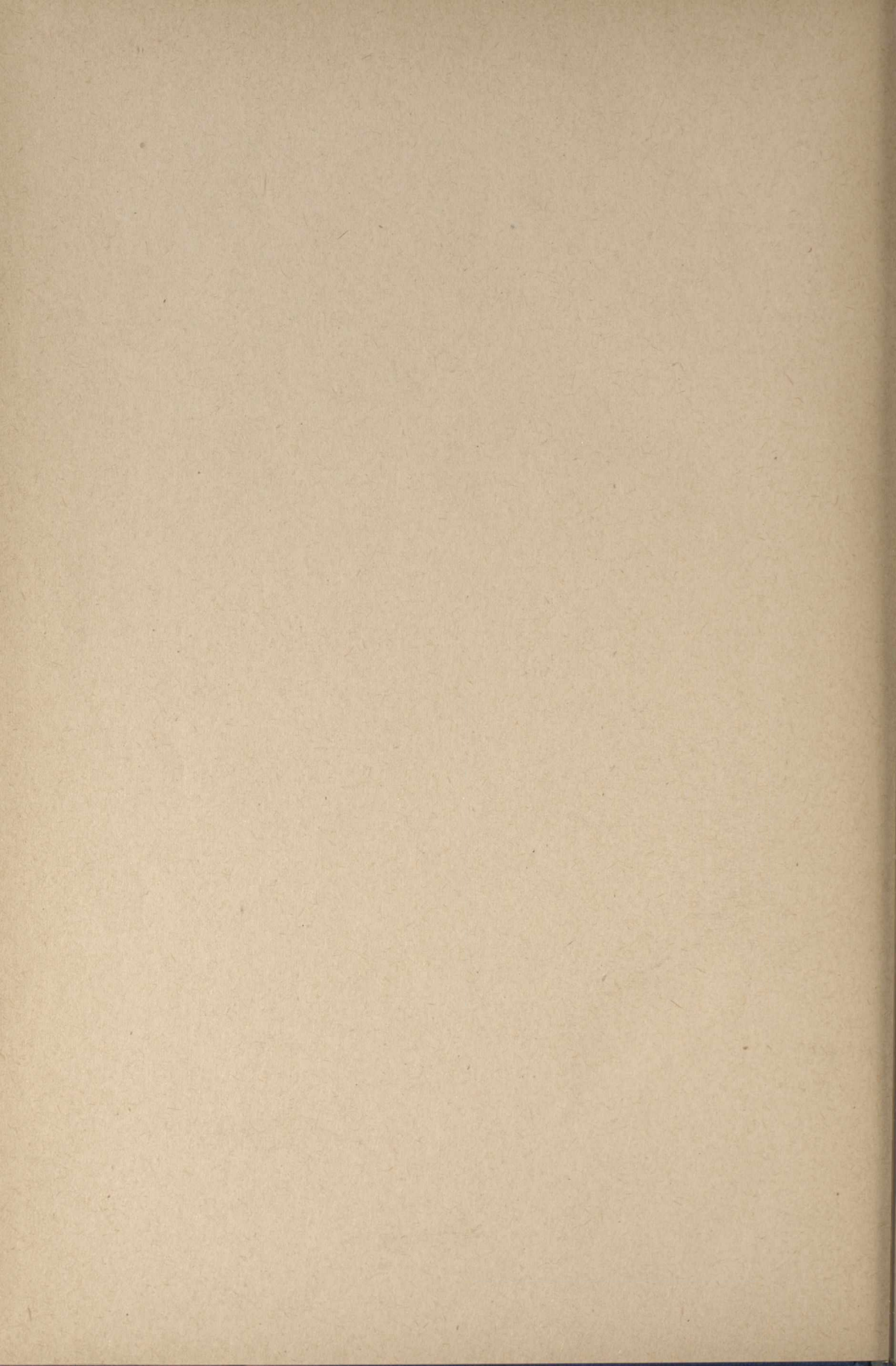
APPENDIX

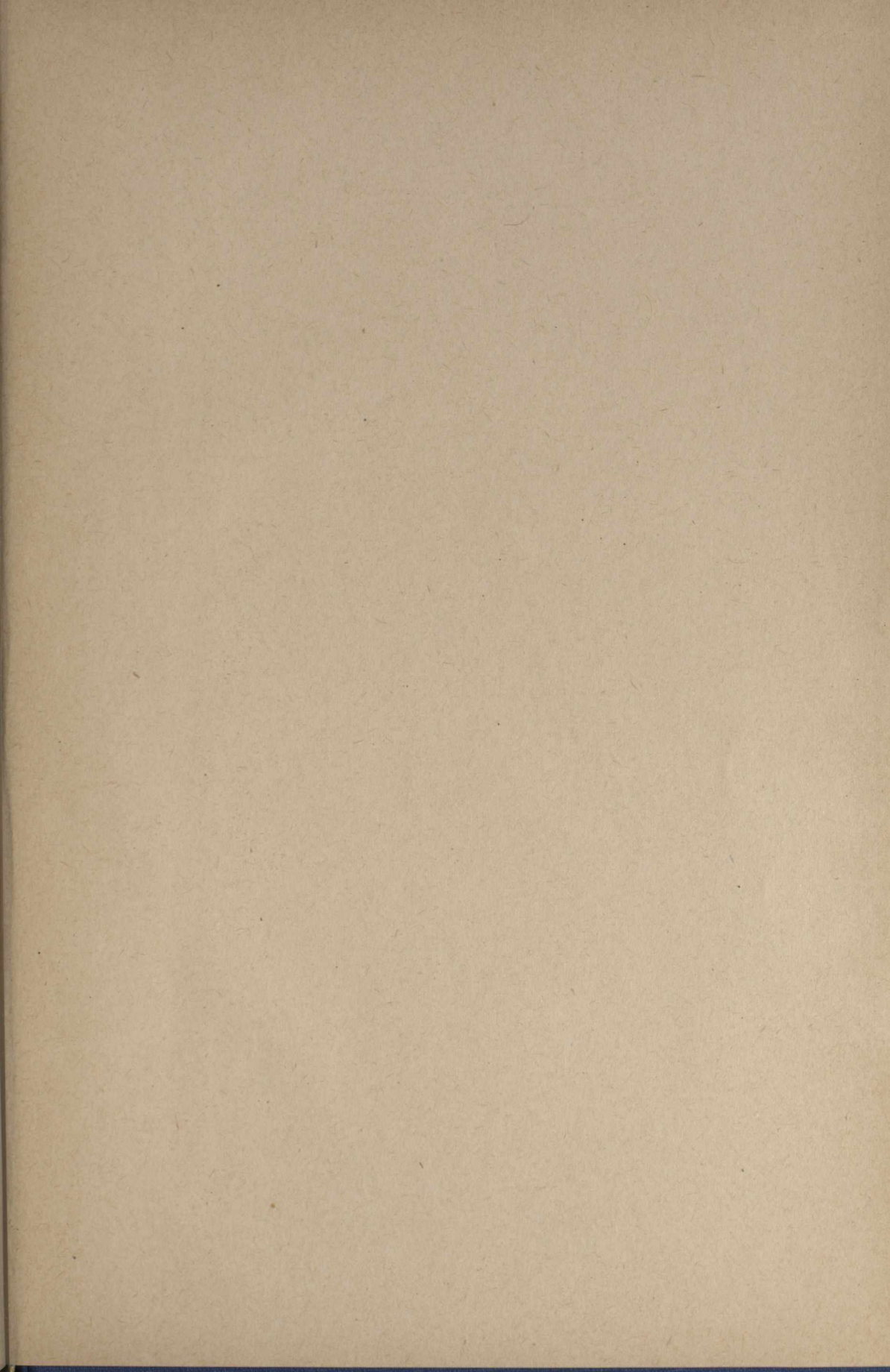
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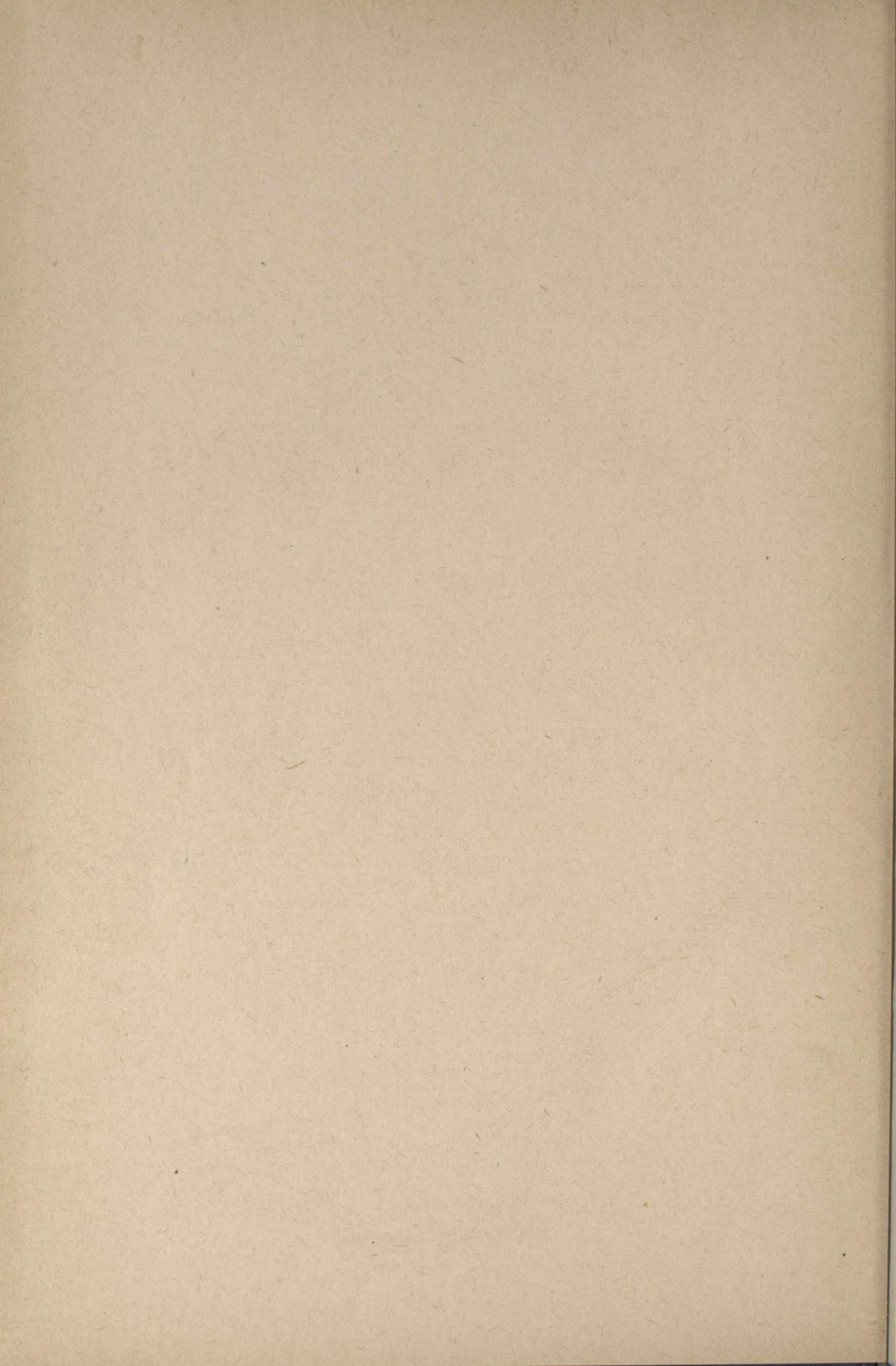


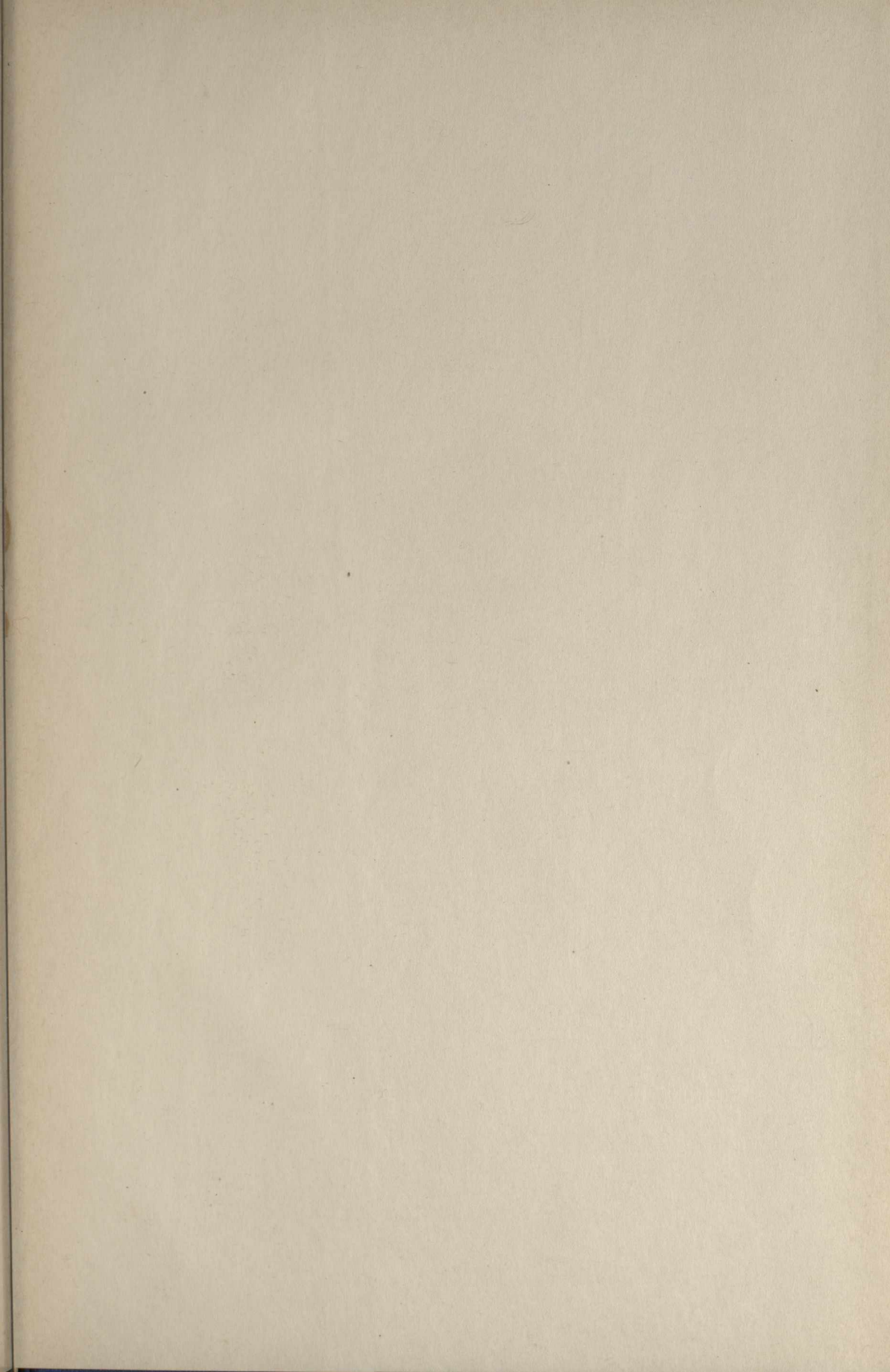


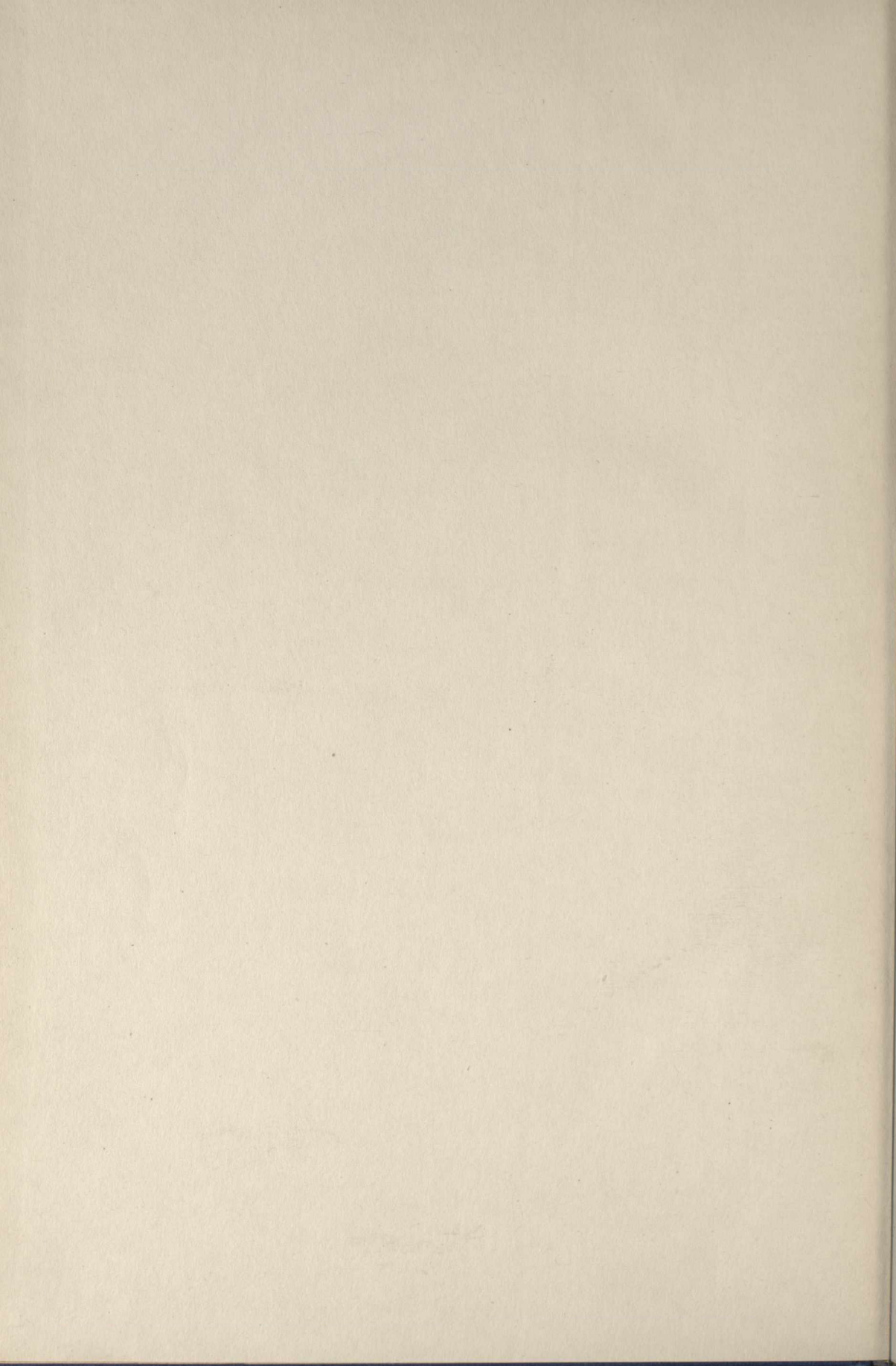


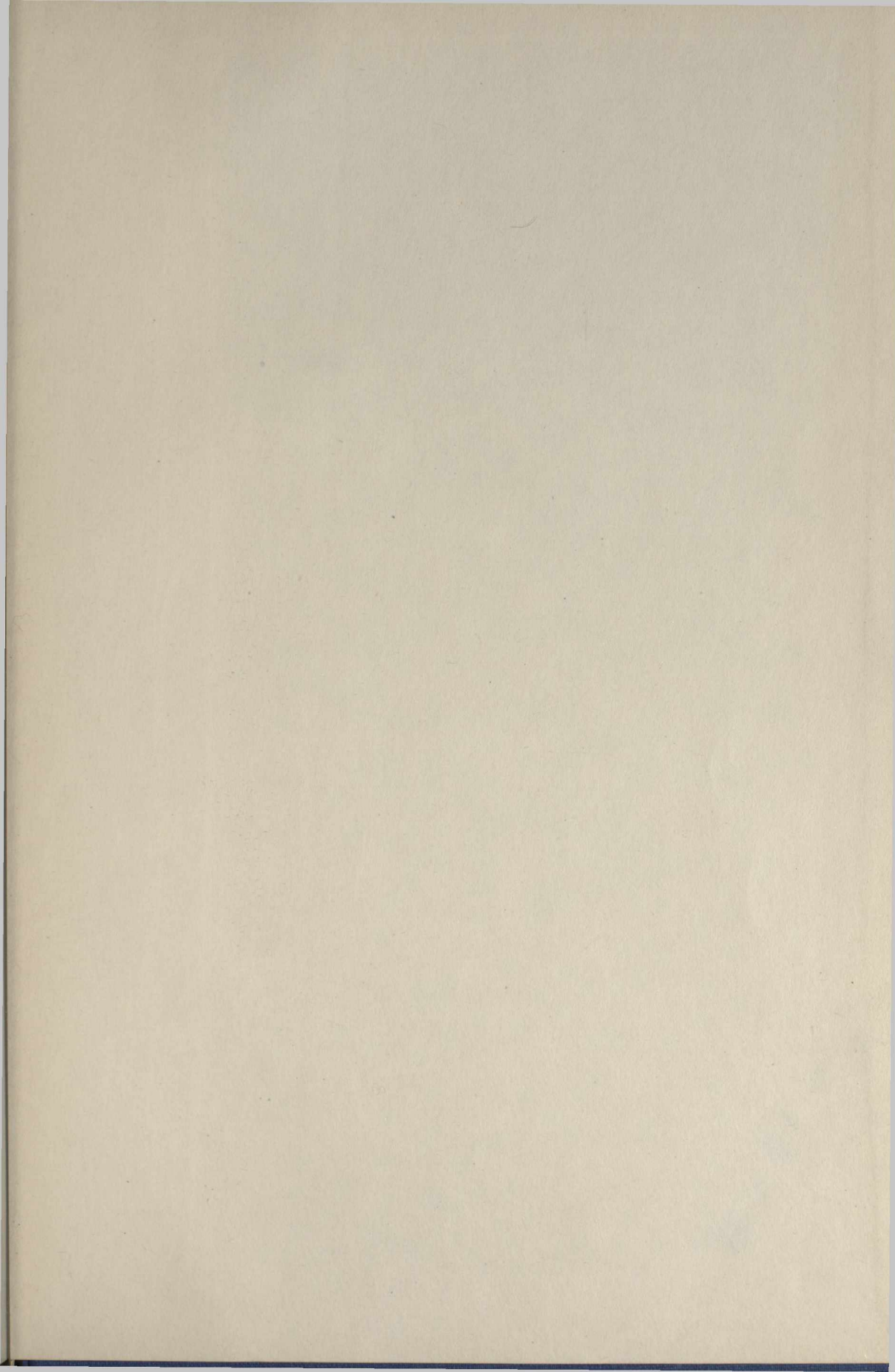


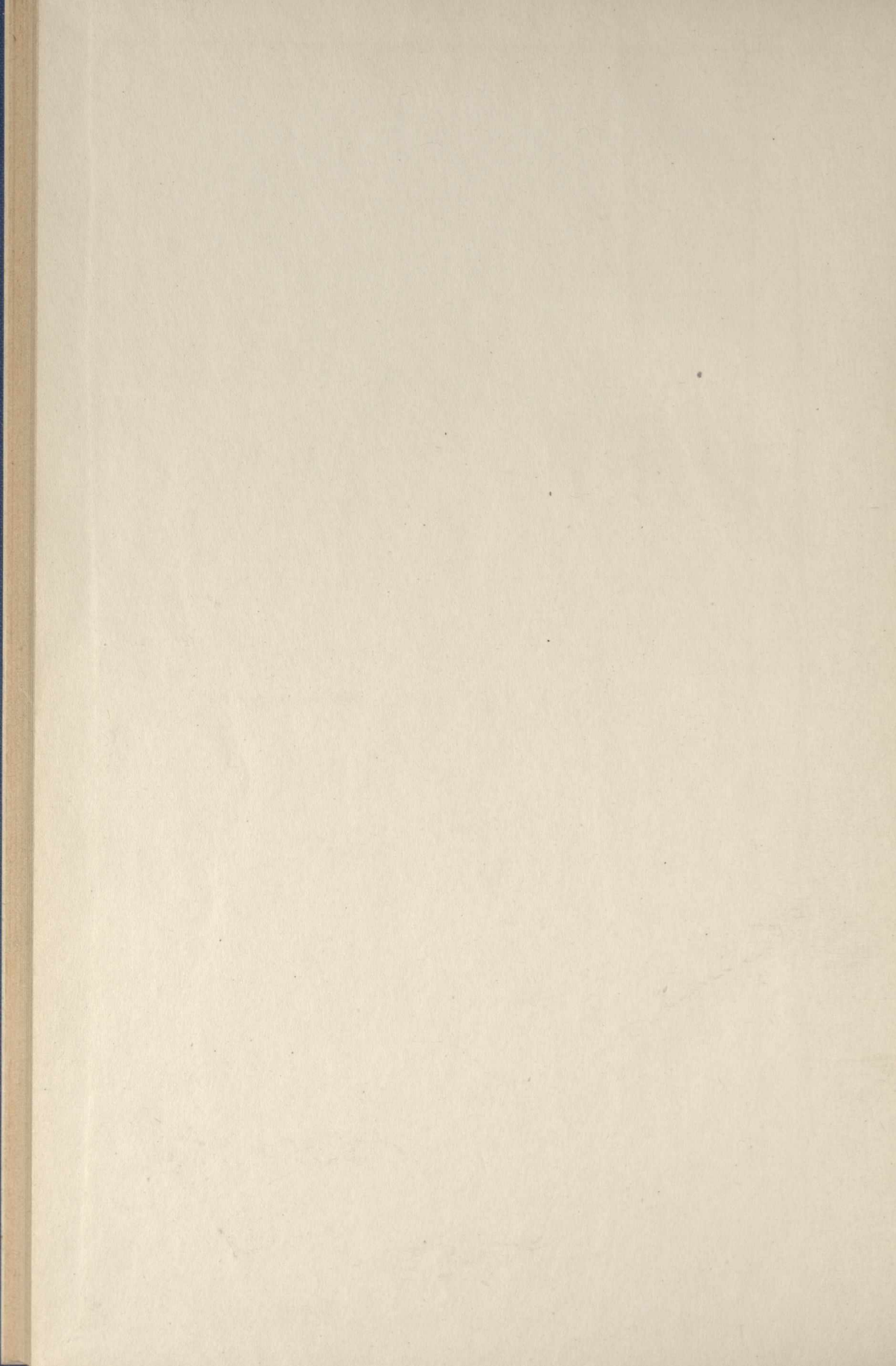












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