

National Defence

Mr. Drew: There is one point which I do not think is quite clear on the record. In answer to a comment by the member for Kamloops (Mr. Fulton) concerning the production of airplanes for our associates in NATO, the minister said "Would you give them away"? Then, in response to a further question he said that we are giving them away, every one of them. It seems to me that may leave an incorrect impression on the mind of anyone reading that statement. I would refer the minister to a statement which was issued on February 14, 1952 and which said that the planes to which the minister is obviously referring are being produced—that is the airframes are being produced—in Canada as part of a three-way joint program under the NATO agreement. The announcement was made simultaneously in Ottawa, London and Washington. The announcement made on February 14 appeared in a Canadian Press dispatch, and I shall quote the first paragraph:

Canada is joining in a three-way arrangement with the United States and Britain to build, equip and man squadrons of F-86 Sabre jet fighters for the North Atlantic treaty defence force.

Then the air force secretary in the United States, Thomas K. Finletter, was quoted in an Associated Press dispatch of the same date as saying:

The partnership of the North Atlantic treaty nations was exemplified in a signal way today with the simultaneous announcement at Ottawa, Washington and London of an arrangement whereby the three countries will combine to equip and man squadrons of Sabre fighters.

Again reading from the Canadian Press dispatch, I quote the following:

A spokesman, enlarging on the announcement, said Canada would supply the airframes for the Sabres, with all other parts, including engines, coming from the United States.

That, Mr. Speaker, does not seem to be a gift in the ordinary sense of the word. If the statement issued by the spokesman for the Department of National Defence on February 14 is correct, this is one of the arrangements growing out of the Lisbon conference about which perhaps we might have had more information in this discussion because the same spokesman informed the Canadian Press that this would amount to some hundreds of planes. I think all hon. members would have been very glad to have more of the details, and it does seem to me that this is certainly not a gift to Britain of planes. It is a three-way arrangement for the benefit of the general forces under NATO, and in fact it is said that it will be for the purpose of strengthening the North Atlantic treaty forces commanded by General Eisenhower.

Mr. Claxton: I am glad the leader of the opposition (Mr. Drew) raised this point, because I do not want to leave any incorrect

impression. The statements from which he has just quoted were made by me, and of course I have no reason to correct them. The arrangement came about in this way. The air minister for the United Kingdom in the Labour government, the Right Hon. Arthur Henderson, on several occasions asked me if we could make some F-86E aircraft for them so as to fill the gap. After a good deal of discussion we agreed to do that on condition that the United States would supply what is called the government found property, which we are not ourselves in a position to provide. This includes engines, instruments and in the earlier aircraft, the armament.

Negotiations were carried out on a tripartite basis, and they resulted in an agreement being made before Lisbon, early in February, under which the United States would provide the government found property without which we cannot make the aircraft. We would build the aircraft and deliver them to Britain. The value of the government found property is approximately thirty per cent of the whole cost of the aircraft.

Motion agreed to and the house went into committee, Mr. Beaudoin in the chair.

DEPARTMENT OF TRADE AND COMMERCE

441. General administration, \$617,796.

Item stands.

DEPARTMENT OF RESOURCES AND DEVELOPMENT

374. Departmental administration, \$415,389.

Item stands.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

257. Departmental administration, \$970,160.

Item stands.

DEPARTMENT OF LABOUR

187. Departmental administration, \$598,070.

Item stands.

Progress reported.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE
MINISTER OF FINANCE

Hon. Douglas Abbott (Minister of Finance) moved:

That Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

He said: Yesterday, Mr. Speaker, I made a slight departure from usual practice by

