

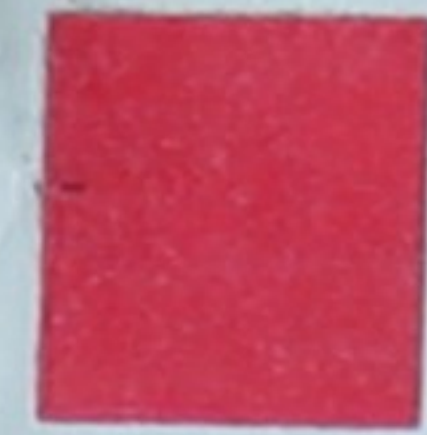
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POLITICAL AFFAIRS : CANADA.

Reports by H.M. Rep.

Report for February, 1946.



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MONTHLY POLITICAL AND ECONOMIC REPORT

FEBRUARY, 1946.

A. GENERAL

The major political development in Canada during the month was the statement by the Prime Minister on the 15th February that there had been disclosures of secret and confidential information to unauthorised persons, including some members of the staff of a foreign mission in Ottawa. During the latter half of the month this affair has superseded all other subjects in public interest. Rumours have been rampant and there has been a strong demand for more official information. In the earlier part of the month the domestic scene was quiet and interest was centred mainly on the meeting of the United Nations Assembly in London and especially on the controversies which arose there between the United Kingdom and the Soviet delegations.

B. FEDERAL

Parliament has been in recess and there has been very little party activity. The announcement that Parliament would meet again on the 14th March has given rise to speculation that there will be a mid-summer adjournment to enable the Prime Minister to attend the Peace Conference.

The announcement of the re-opening of Parliament has also been the occasion for speculation about Cabinet changes. It is rumoured that the portfolio of External Affairs is to be divorced from the Prime Minister's Office and that the Minister of Justice, Mr. St. Laurent, will become Secretary of State for External Affairs.

2. Royal Commission on the Civil Service.

The Prime Minister announced on the 19th February that a Royal Commission had been appointed to examine and make recommendations to the Government on the scales of salary, qualifications and conditions of employment of the senior administrative officers in the public service with the purpose of achieving a higher standard of efficiency in the conduct of public business. Mr. Walter L. Gordon, C.A., Major General Edouard deB. Panet, C.M.G., D.S.O., and Sir Horace Hamilton, G.C.B., were appointed members of the Commission. It was later announced that, owing to the latter's illness, he had been replaced by Sir Thomas Gardiner, G.B.E.

3. Yellow Knife Power Plant.

The Minister of Mines and Resources, Mr. Glen, has announced that his Department are making preparations for the construction of a hydro electric power plant in the North West Territory to provide power for mining development in the Yellow Knife district. There is to be an initial development of 7,500 horsepower, to be followed by a second installation of the same horsepower, and possibly later by a second power house of 10,000 horsepower. Power developed by the Government scheme will be sold at the lowest possible cost, the Government reserving the right to acquire the transmission system, which will be arranged in the first place by the users when it is completed. It has since been announced that the Dominion Government and the Government of Alberta are to co-operate in building a year-round highway to Yellowknife.

/4. Japanese Canadians



#### 4. Japanese Canadians.

The Supreme Court of Canada, to whom the matter was referred at the instance of the Co-operative Committee on Japanese Canadians, has ruled that the Federal Government had the power under the War Measures Act to pass Orders-in-Council relating to the deportation of Canadian Japanese and has upheld the validity of the three Orders passed with the exception that a majority of the Court held that the provisions relating to the deportation of the dependents of Japanese Canadians were ultra vires. Public controversy over these Orders-in-Council still continues and the Co-operative Committee has announced that it intends to appeal to the Privy Council.

#### C. EXTERNAL AFFAIRS.

##### I. Disclosures of Secret Information.

On the 15th February the Prime Minister announced that a Royal Commission had been set up to investigate the disclosure of secret and confidential information to unauthorized persons. The Commissioners are Mr. Justice Taschereau and Mr. Justice Kellock of the Supreme Court of Canada. On the recommendation of the Commissioners a number of persons had been detained for interrogation and the Prime Minister said that it was the intention of the Government, after reviewing the report of the Royal Commission, to prosecute in cases where the evidence warranted it. Since that statement there have in the period under review been only two official statements on this incident, the first an interim statement by the Royal Commission explaining that their enquiry might take some time and might involve further detentions and the second the publication of the two secret Orders-in-Council setting up the Commission and providing for the detention of persons required in connexion with the enquiry.

Public interest since the middle of February has been directed to this matter almost to the exclusion of all else. Russia was immediately named in the press as the foreign power concerned and this was subsequently confirmed by statements made in Moscow. There is a general sharpening of distrust of Russia as a result, but also a wide-spread uneasiness at the methods adopted for the enquiry. Criticism has been expressed in some quarters that the manner of arrest and the conditions of detention do not befit a country which prides itself on personal liberty. Moderate opinion, however, reserved judgment until the issue of the Royal Commission's report.

##### II. The U.N.

In the early part of the month there was wide interest in the meeting of the U.N. Assembly and concern over the repeated clashes between Russia and the United Kingdom. There was general admiration of Mr. Bevin's handling of the United Kingdom case and criticism of the Soviet Government's tactics.

The announcement of the appointment of Mr. J.E. Read, Legal Adviser to the Department of External Affairs, to be a Judge of the International Court was greeted with satisfaction throughout Canada.

##### /III Civil Aviation.