

of Hitler's use of the treaty of Versailles as a potent propaganda weapon in the resurgence of German chauvinism should warn us of the dangers inherent in the deputies proposal. In any event it seems to me that the proposal for an interim statute has the advantage of preventing rigid decisions now which may cause trouble later on.

But political progress will depend upon a rapid improvement in economic conditions. Canadians, I am certain, desire their government to do everything possible to support those democratic political leaders who survived the concentration camps or who kept the idea of freedom alive in the underground. The success or failure of these democratic leaders will depend very largely on the solution of European economic problems. Section 22 of the government's submission to the meeting of deputies urges the early establishment of an economic commission for Europe. It notes that this has already been proposed in the united nations but has not been put into effect. Canada's submission suggests that it might be a useful agency for integrating German industry into the general European economy. While we can support that principle, the reference in the memorandum is vague and seems to suggest only limited functions for the commission. What is needed I think is something more comprehensive, an economic planning agency integrated with and responsible to the economic and social council of the united nations, the body which because of its obligations under the charter and its specialized agencies is most competent to undertake this essential task.

Concerned with economic and social conditions throughout the world, the council would be in the best position to make recommendations towards the achievement of that level of economy and standard of living which may be permitted to Germany in order to prevent Germany from continuing to constitute a centre of economic depression—to prevent her, in other words, from remaining or becoming a European slum.

But consideration of German economic conditions raises the important question of the kind of economic activity to be permitted and encouraged. German industry before the war was highly organized and centralized in powerful private monopolies, trusts and cartels. The Potsdam agreement provided for their elimination. Since then the United States and the United Kingdom have declared their common intention to destroy these powerful and menacing consequences of private enterprise.

Canada's submission asks for the elimination of monopolies. But it is just at this

point that fundamental differences appear among the nations. The United States, and probably the present government of this country, approach the problem in the belief that the monopolies can be split up into small competing units. But neither in the United States nor in Canada have anti-monopoly laws such as our Combines Investigation Act or the Sherman Anti-Trust Act in the United States prevented the monopolization and cartelization of powerful industries.

It is indeed fantastic to think of splitting up effective mass production units anywhere, when conditions demand immediately the most efficient production possible. European economists agree that the only way of eliminating the huge combines which characterized pre-war Germany is to socialize them. Speaking in the United Kingdom House of Commons on October 23, the Foreign Secretary said:

We have also to consider the ownership of basic German industries. They were previously in the hands of magnates who were closely allied to the German military machine, who financed Hitler, and who in two wars were part and parcel of Germany's aggressive policy.

We have no desire to see those gentlemen or their like return to a position which they have abused with such tragic results. As an interim measure we have taken over the possession and control of the coal and steel industries, and vested them in the commander-in-chief. We shall shortly take similar action in the case of the heavy chemical industry and the mechanical engineering industry. Our intention is that these industries should be owned and controlled in future by the public. The exact form of this public ownership and control is now being worked out. They should be owned and worked by the German people, but subject to such international control that they cannot again be a threat to their neighbours.

I submit that this is a realistic approach to the problem, and one which in spite of differences in economic theory is, under the conditions brought about by Hitler and the powerful industrialists who supported him, the only possible solution now.

The private owners of German industry, even when they are not actual war criminals, have surely forfeited all rights to their property, which should be transferred to public ownership and supervised and used to rebuild a devastated Europe, and in due course minister to the common needs of all mankind.

This I think is the kind of policy that Canada should support. It therefore follows that we should urge the immediate implementation of section 14 of the Potsdam agreement, which states:

During the period of occupation, Germany shall be treated as a single economic unit.