

STATEMENTS AND SPEECHES

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EUROPE IN THE WORLD ECONOMY

A statement to the House of Commons on January 18, by Mr. Donald Fleming, Minister of Finance.

I should like at this time to make a report to the House on important meetings which took place last week in Paris on broad economic matters. My colleague the Minister of Trade and Commerce and I represented the Canadian Government.

Before describing the events of last week it might be helpful if I were to outline the events which led up to the meetings. In what I have to say, when I am referring to Europe, I am including the United Kingdom in that designation.

Immediately after the war, the United States made reconstruction loans to Europe; and Canada made, on a proportional basis, even greater loans to Europe. It soon became clear, however, that these loans were not enough to ensure full European recovery. We all recall the wave of hope and encouragement that ran through Europe and around the world when, in June, 1947, General Marshall announced the famous Marshall Plan. Under that Plan, with its massive economic aid from the United States, Europe carried forward its post-war economic recovery. While the Marshall Plan was essentially economic, it was, of course, of great political significance. It fostered closer relations between European countries, especially through a new body known as the Organization for European Economic Co-operation or, more briefly, OEEC. Canada and the United States both became associate members of OEEC in 1950, reflecting the contributions that both made to European recovery and common membership in NATO.

Then came a development of a rather different nature. Six countries of Europe began to lay plans for a very much closer form of association. They are France, Germany, Italy, the Netherlands, Belgium and Luxembourg. In these plans the establishment of strong ties between France and Germany was particularly important. In the succeeding years The Six have agreed amongst themselves to form the European Coal and Steel Community, the European Atomic Energy Agency known as EURATOM, and the European Economic