

External Affairs

Of course, what should have happened is that the allies should have collared the whole lot and given it to the German people as a nationalized industry.

The smaller Mannesmann syndicate has already been reorganized. The six parts of the former I. G. Farben chemical combine are likely to be reintegrated soon.

Anyone with a knowledge of history knows what the I. G. Farben chemical combine did before the war to play all sides against the middle.

The Krupp industries, of course, have made their postwar recovery without armament manufacture. There is a certain irony in the United States assenting to the reconcentration and expansion of Krupp holdings while its department of justice carries on an anti-trust investigation of General Motors.

I think that is a very good comment.

But the West German government now has its own laws against the revival of cartels and economics minister Prof. Ludwig Erhard is a vigorous advocate of competition. There are also strong controls applicable under the relatively new European coal and steel community.

The misgivings raised by imminent revival of the Krupp industrial empire are that it will wield monopoly powers in trade and that it may form part of a remilitarized Germany.

Do not forget that the Krupp family were armorers for Bismarck, Kaiser Wilhelm and Hitler.

As to both these hazards, the best hope lies in democratically strong German government and a peace-serving sense of European unity.

Unless these can really be depended upon, this newspaper believes there is ground for the deepest reservations against permitting a revival of far-flung power in the Krupp industrial empire.

Mr. Browne (St. John's West): What paper is that?

Mr. Herridge: The *Christian Science Monitor*, a paper with which I am sure you would be somewhat in agreement. We in this group view with alarm the rising power of these people who created so much misery in the world in years past. We can readily understand the reservations expressed by the editor of the *Christian Science Monitor*. The point I was making is that these various spots in the world are having a terrific influence in the direction that serves the development of their own economy, industrial plant expansion and so on. We should be very careful and watch these developments, not only in Germany with respect to the Krupp interests but with respect to other interests in the Middle East and the United States.

I want to quote briefly from the *Foreign Affairs* magazine which contains an article by Mr. George F. Kennan entitled "Disengagement Revisited". It is contained in the January 1959 issue. In this article Mr. Kennan

deals with the question of the policy of disengagement which we in the C.C.F. feel should be given some consideration and which is mentioned, I think, as the Rapacki plan. I believe the leader of the official opposition mentioned it this afternoon and said he thought there should be some investigation of the possibilities of a plan of this type, if I understood him correctly. We, in the C.C.F., believe in that, and this is what Mr. Kennan has to say in dealing with that in *Foreign Affairs* magazine. I am only going to quote a paragraph because my time is running out. I have to deal with it quickly because I am only about 10 per cent through in presenting C.C.F. foreign policy. The paragraph reads:

If, of course, the new German army were to become in organization and conceptual principle as dependent on atomic weapons as is the American defence establishment of this day—were the Germans, in other words, to place themselves in a position where they could not dispense with atomic weapons without generally emasculating their over-all military capability—then the chances for any change in the present status quo in central Europe would be practically non-existent. Confronted with such a force on the western side of the Elbe, the Soviet government, which will presumably observe a much greater prudence than has the American government about putting atomic weapons in the hands of its allies, will see no choice but to keep its own forces, themselves armed with atomic weapons, in substantially the positions they occupy today. The atomic armament of Western Germany is in fact the enemy of any real progress in the matter of unification. The western chanceries could not have been oblivious to this fact when they refused even to consider the Rapacki proposals for an atom-free zone in the centre of the continent, and when they took the decision to introduce atomic weapons into the NATO defences on German soil.

I had more to say on that, but time will not permit. We in this group do urge the government to give consideration to the possibilities of developing the plan for disengagement and to provide this zone in central Europe of a neutral Germany, Czechoslovakia, Poland and Hungary, and in so doing provide a buffer which will also permit further opportunities to deal with reunification.

In that connection, I want to place on the record the resolution adopted by the C.C.F. national council at a meeting held in Ottawa on January 24 and 25. It reads:

The C.C.F. believes that the present Berlin crisis should be seized upon as an opportunity to reopen negotiations on the whole question of Germany. In their approach to new talks the western powers should be prepared to consider, as a basis for negotiations, some of the new proposals that have been put forward in recent months.

As a prelude to negotiations and as a basis for approach in negotiations themselves, the west should make clear the following:

1. That the unilateral action of the Soviet union in insisting upon withdrawal from Berlin is to be condemned, and that the other occupying powers are obligated to maintain their position in Berlin