April 4, 1966

EXTERNAL AFFAIRS

Mr. MARTIN (Essex East): I understood from you, Mr. Chairman, that the steering committee wished me, on the first item, to make a statement on the general position that Canada has taken on some of the vital problems facing the international community to-day. I think it would be useful to discuss three that are of major concern to us in Canada: NATO, Viet Nam, and Rhodesia. If it was agreeable to the committee I would proceed to give the government's views with regard to these three problems, and in that order.

Before doing that I wonder if I could take advantage of this meeting of the committee to recall that on March 23, I announced that the government proposed to ask Parliament to approve a major expansion in our food aid program for India in the coming year, we had decided to play our part in helping India to meet its current emergency by providing one million tons of food to that country. There is to be a meeting in Washington late today or tomorrow morning, and I would like to make a further announcement in this connection.

I now wish to advise the committee the government proposes to take an additional step to assist India. A sum of approximately \$19 million remains to be paid by India as principal and interest on two loans which the government made in 1958 to cover the purchase of Canadian wheat and flour. It is proposed to forgive the remaining payments on these two loans as a means of providing additional help to India in its difficult balance of payments situation which has deteriorated significantly as a result of foreign exchange costs caused by drought and other factors. The first of the remaining payments was due on March 31. My colleague, the Minister of Finance, has signed agreement with the Indian High Commissioner to postpone this payment pending approval by Parliament to cancel the full amount of \$10 million which is outstanding. The agreement provides immediate relief in the amount of approximately \$3.7 million, which this payment represents. The cancellation of the outstanding debt will be additional to the food aid for India to which I have referred and which will cost about \$71 million in this calendar year.

I am sure that members of the committee will agree that this represents a significant Canadian response to the very serious emergency that prevails in India at the present time. We hope that at tomorrow's meeting there will be a comparable response from other countries to the serious situation that faces the Indian nation.

Mr. Chairman, I welcome this opportunity of laying before the committee the Canadian view on a number of issues in this critical period. I would like to discuss the NATO situation as frankly as I can with members of the committee. It will be understood, of course, that there will have to be bilateral negotiations between the government of Canada and the government of France. There will also have to be negotiations between the 14 other member states in the organization and France. There will therefore be areas where it will not be possible for me—and, I am sure this will be understood—to reveal a Canadian position or, in some cases, to have a firm Canadian position until such time as there has been the fullest consultation between the 14 member states which are involved in this negotiation with the government of France.

Mr. CHURCHILL: But, you have to have a position if you are going to consult.