

*Supply—External Affairs*

religious and other interests that we share with Latin America. It seems inevitable that in this interdependent world we should show increasing interest in that part of the world.

Great emphasis is placed by some on the institutional aspect of inter-American relationships. As I indicated to the hon. member, we now belong to a number of subsidiary bodies of the organization of American states. Each of us has his own view as to the importance of institutionalization in this context. What is important is that we should realize that this is our hemisphere, that there are great interests, great currents involved in the welfare of the free world in the developments that are taking place in that growing and populous area.

We have already given some evidence of our appreciation of the situation in our external aid program. This year, for instance, out of \$50 million of soft loans \$10 million is being provided through negotiations that are now being carried on with the inter-American development bank for the first time. This symbolizes our interest.

Some hon. members referred today to the financial situation in the United Nations. I did endeavour in the brief statement I made to outline our concept of the problem. We recognize this as a problem that has to be resolved in the interests of the United Nations itself. The solution of course does not rest with Canada but it does rest with those defaulting countries who are being called upon to bear their share of a financial responsibility that should be collectively accepted as well as imposed.

**Mr. Howard:** I do not want to interrupt the minister, except that I notice the clock and I think we should make some determination of what we are going to do.

**Mr. Martin (Essex East):** Perhaps I might ask the chairman not to see the clock, if hon. members so wish, in order that I might finish these responses and give other hon. members whatever opportunity they wish to speak. Is that agreed?

**Some hon. Members:** Agreed.

**Mr. Martin (Essex East):** I promised the hon. member for Greenwood that I would answer several questions, one with regard to the defence review. The NATO ministers at the Ottawa ministerial meeting in May 1963 directed that there should be further studies of the interrelated questions of strategy, force requirements and the resources necessary to meet those requirements. Since then there

has been slow progress on this defence review, in part because of the differences of view to which I referred this afternoon. However, the review is continuing and we expect we will be informed of what progress is made at the forthcoming meeting.

With regard to civil-military relations, I have emphasized many times that it is essential in the complicated world of 1964 that in this respect Canadian foreign and defence policy should work hand in hand. Indeed co-operation between the Department of External Affairs and the Department of National Defence is close on this subject, as on others.

Within NATO the military and civilian branches have remained quite separate and arrangements for liaison have not worked out as expeditiously and beneficially as desired. For this reason we have been urging NATO members, in examining methods of improving the organization of the alliance, to consider ways of co-ordinating and making more effective the arrangements between the military and civilian arms of the alliance.

We had a full discussion today on the relationship of mainland China to the United Nations, and in the brief interventions I made in answer to some questions, I stated what the position of Canada is at this moment. I can very well understand why, when I referred several times to the statement I made in the house on May 22, I might have given the impression of not wishing to discuss the matters involved in this important issue. But I do suggest to hon. members that in view of the importance of this matter, in view of its significance to this country and to all the nations in the free world, the situation that prevails between one communist camp and another is a question that cannot be treated lightly. It must be viewed by me in the light of my responsibilities as Secretary of State for External Affairs and the advice I receive from those who serve this country in the Department of External Affairs and in our missions abroad, in the light of our relations with other countries, our relations with our closest neighbour, our relations with commonwealth countries, and in the light of our assessment of the situation in Asia.

All these are factors which any government anxious to carry out its responsibilities must observe. In the statement I made on May 22 I called the attention of the house to the views of Canada on this situation. I pointed out that Canada's policy with regard to relations with China had to take account of the integrity of Formosa. This was the