

External Affairs

As the Minister of Finance said:

If the European countries, six years after the war and with the aid they have received, are not able to make their economy viable we can't do it for them.

What sort of aid have they been receiving? The aid they have been receiving under NATO looked like a substantial amount in the estimates each year and I have no doubt it has been substantial. When one analyses that aid a little farther we see we have been rearming our allies in Europe with equipment which we have had in storage and that was not being used; with equipment which conceivably could be secondhand and had been used; with equipment which possibly our own armed forces thought was out of date. Not only have we given our allies that sort of equipment but we have charged up a sum, the total of which I forget, but I do know there is a balance of some \$300 million lying at the credit of an account in the Department of National Defence as a result of the charge being made for the arms which we have given to our allies.

I have argued previously on the basis that, economic defence being important as it is, we should consider using this \$300 million for economic defence, rather than leave it in the particular fund in the Department of National Defence. Our allies in Europe have been given arms by Canada and by the United States. That perhaps may be the beginning of their troubles because our allies have to maintain those arms in an adequate state of repair. Our European allies have to make up for obsolescence, and eventually re-equip themselves. It must be admitted, their economy being in the position it is, that this will be a decided drain on them, with the resulting effect of a still lower standard of living.

That the government is concerned about the situation, I have no doubt. Again the Minister of Finance (Mr. Abbott) said this in November last year in New York:

Frankly we in Canada are genuinely concerned about the thin and rather brittle economic base on which this political and military co-operation has been built.

And I say he has every right to be concerned, as indeed all of us should be concerned. But why is this economic base so thin, why is it so brittle? The best answer was given in a dispatch from Ankara which appeared in the *New York Times*. Discussing the forthcoming visit of the president of Turkey to the United States, the report said:

The fundamental thesis of the Turkish authorities is that relatively small outlays of further American aid to stimulate agricultural and industrial production here would result in further significant increases in Turkish exports, with a corresponding

increase in the country's ability to purchase military equipment with its own foreign exchange resources.

They contend that the mere provision of military aid under the mutual defence assistance program, while maintaining Turkey's military strength from day to day, fails to attack the basis of the problem of enabling Ankara to support its military establishment from its own resources without resorting to deficit financing.

That is true of Turkey. I am equally convinced it is true of many other European countries who are our allies. Military aid is not sufficient. They require some sort of economic aid. And yet, again, to revert to that dreadful speech of the Minister of Finance (Mr. Abbott) at Couchiching, he said, of our friends in western Europe: "We cannot expect them to become pensioners of Canada". They do not expect that. But what we have done to help them in the field of economic co-operation has been precious little. And, so long as that is so, NATO must remain something that is basically weak.

There is another area, in Asia, where our economic aid policy has to be considered. Throughout the last few years we have consistently attacked the government for its deplorable inaction, and just as consistently the government has defended itself. We have said that the provision of arms is no protection against hunger. Certainly it is no protection against ideas. The only way we can combat ideas is by showing those people that we have better ideas, and I believe we have.

The only way we can combat hunger is not by making guns available but by offering food to those who need it. Perhaps our greatest defence in Asia lies in feeding the hungry; and clothing the naked; and I think, in principle, that throughout the years the minister has agreed with us. Yet, very little has been done about it.

I would just like to remind the house of what the minister has said. He said things with which I agree completely, and which had our support, and which we accepted as government policy, only to find later that the government had done nothing to substantiate what the minister had said would be achieved.

On February 22, 1950, as reported at page 131 of *Hansard*, the Secretary of State for External Affairs said this:

The social and economic danger arises out of the fact that the people out there are learning that independence is not enough. The agitation for freedom has stirred up in them other desires; for improvements in their conditions of life; for a change from distress, privation and even starvation; for a change from a life expectancy of twenty years and an average income of less than \$50 a year.