

would pay for it. Then one immediately comes to the conclusion that those nations that cannot pay will receive it as a gift; but on the other hand, according to the resolution that was passed at Atlantic City, we now find that Germany will have to pay in full.

I am not one who is easily swayed by emotion about the rights of defeated nations. However I believe we must all agree that if in Germany after the war there is mass starvation amongst the people, amongst the women and children of that country, all they can do is to pay to the fullest extent possible; and if they are unable to provide sufficient relief for the people by paying to the fullest extent possible, then apparently we are going to deny them the necessary relief to take care of these people. It appears to me that that is a departure from the declaration of principles known as the Atlantic charter.

There is another matter connected with the resolutions passed at Atlantic City that has caused me a great deal of concern. It seems to me that some of these resolutions definitely limit the scope of the agreement known as UNRRA. UNRRA stands for the international relief and rehabilitation administration. The words "relief" and "rehabilitation" are used. According to resolution 12 I understand that the second "R" has in reality been struck out of UNRRA. I make that statement because I have read words to that effect in a number of United States periodicals. I should like to quote some of the statements that have been published. In the *Christian Science Monitor* of March 16 reference is made to resolution 12 passed at Atlantic City, and the following statement appears:

The task of rehabilitation must not be considered as the beginning of reconstruction. It is co-terminous with relief.

The *Wall Street Journal* of March 20 made this statement:

As defined by UNRRA and Congress, rehabilitation does not signify reconstruction.

The *Economist* of Dec. 4 said:

The decision has been reached to take the second "R" out of UNRRA.

Therefore apparently UNRRA now merely stands for relief. It does not stand for rehabilitation of the devastated areas. According to the press, forty-one resolutions were passed at Atlantic City. Hon. members of this house have not been in a position to find out what is contained in those resolutions. The statements in the press regarding resolution 12 show that the powers of UNRRA have been definitely curtailed. It seems to me that before the house is asked to pass upon this bill, the members should be given a chance

[Mr. Quelch.]

to see what is in the resolutions passed at Atlantic City which definitely curtail the operation of UNRRA.

Unless devastated countries can get supplies of raw materials and machinery with which to start their industries they will continue to need relief for many years. Apparently UNRRA does not make any provision for providing the raw materials and machinery necessary to enable industry in those devastated countries to provide exports in return for their imports. One may well ask how the devastated areas can ever produce the necessary exports to pay for their imports. Is it to be a condition of receiving help under UNRRA that these nations shall become a party to the proposals for an international currency? It might be said that that is one way by which these nations can receive the necessary help. In that regard it is interesting to note section 4 of the Canadian proposals of the tentative draft proposals—

The establishment of an international monetary organization is no substitute for the measures of international relief and rehabilitation which will be required as the war draws to its conclusions and afterwards; and in the view of the Canadian experts any monetary organization which is set up should not be called upon to finance transactions of this nature.

Therefore according to the Canadian experts these international monetary proposals will not be a method by which the devastated areas can be rehabilitated or by which reconstruction can be put into effect. Again I ask, by what means are those nations to receive the necessary help to put themselves on a self-supporting basis? Apparently the only alternative left to them, since it is not to be done under UNRRA, is long-term loans. When we recall the history of that type of policy, when we remember how for sixty years before the last war England made large and long-term loans to foreign nations and lost in the neighbourhood of sixteen or seventeen billion dollars as a result of those loans being repudiated; when we recall—and I am speaking from memory now—that the United States lost in the neighbourhood of eleven billion dollars on foreign loans between the two wars, I think we should agree that that is not a sound policy. Moreover, a policy of that type can result only in international friction. When money is lent to a nation to build up its industries, the policy works fairly satisfactorily until the time comes when the debtor nation seeks to repay the loan. When it attempts to ship its imports in payment of the interest and principal, the creditor nation immediately objects to receiving those imports because it brings about unemployment within its own country; indeed a high tariff barrier is erected