

*Supply—External Affairs*

NATO council meetings and in the parliamentary conferences to drum away at this view that we have far more to gain by co-operating economically than we have by co-operating in a nuclear or military way.

**Mr. Knowles:** I wonder if the minister would care to take advantage of this item in order to bring us up to date on events in Cyprus. In particular, can he tell us what the hopes of mediation are on that island?

**Mr. Martin (Essex East):** First of all, may I say to the hon. member for Skeena that I listened with interest to what he had to say and, as he had mentioned, I have indicated that with regard to the basic proposition that he outlined, I am in accord.

However, I think the hon. member would wish me to point out that it was never the intention to transform the North Atlantic Treaty Organization from a military into an economic alliance. As he says, article II of the treaty is one to which Canada attaches a great deal of importance. Both the present administration and the government headed by the Leader of the Opposition have always stressed our view that economic co-operation between the members of the organization was vital to the unity of that body, as well as being in the interests of the participating members. Nevertheless, article II, though an important article, is only one of the articles of the treaty. NATO was conceived as an alliance to provide for the defence of its members in the face of the intransigent position taken by one of the great powers in the United Nations. This intransigence resulted in a number of the members of the United Nations, particularly on the western side, being placed in a difficult position vis-à-vis the armed might of the Soviet union. There continues to be a need for the maintenance of this alliance in spite of the improved position which now exists as between east and west, particularly since the events of a year ago last November. I think it is only correct to say that there has been a very great improvement in the consultative processes of NATO during the last few years and particularly since the establishment of the organization for economic co-operation and development—the organization to which the hon. member for Skeena directed our attention—which is better known by the letters O.E.C.D. It is an organization that provides for the members of NATO, and certain European members that are not in the alliance, and for Japan which was admitted to the O.E.C.D. with the support of Canada when the right hon. gentleman was head of the government of this country.

In addition to the O.E.C.D. we have the Kennedy initiative for an improvement in the

co-operative economic measures as envisaged by the President of the United States, and by other countries. Since that initiative was launched we have all endeavoured to improve the economic consultative processes and the economic welfare of the countries in the alliance and those not in the alliance which are members of the O.E.C.D. So that much of what was intended by article II—I do not say all—is now being done by O.E.C.D. and under GATT, particularly following the initiative of the late President of the United States.

I may say to my hon. friend that last November I attended for the first time a meeting of the O.E.C.D., which is directed by the former minister of finance of Denmark, the well-known economist Mr. Kristensen, who will be known to some hon. members of this house. I can say, from that experience and from continuing experience, that some of the work contemplated by article II is being very vigorously pursued by the O.E.C.D. In addition, of course, economic strategy vis-à-vis the Sino-Soviet bloc, to which my hon. friend so ably directed our attention, is discussed on a continuing basis in the economic advisory committee of NATO. My hon. friend may be sure that on that committee Canada, through its spokesmen, is vigilant in the pursuit of the objectives which are implicit in article II to which he attaches such importance and to which Canada under this, the preceding and former governments, has attached great importance.

But, Mr. Chairman, I would not be discharging my obligation as Secretary of State for External Affairs if I left the impression that there was not in the opinion of the government a continuing need for Canadian support and participation in NATO. There are, of course, differences of method being pursued by some members of the organization. There is, however, no basic difference as to the ultimate need and purpose of the alliance. Canada believes that it is in the interests of her defence at the present time to continue wholeheartedly in support of the North Atlantic Treaty Organization. Our defence is predicated on the existence of this organization as much today, in the face of the present level of armaments, as at any time since the organization came into being.

With regard to the question put to me by my hon. friend the hon. member for Winnipeg North Centre, when I was in Geneva a few days ago attending the United Nations trade and development conference I took advantage of the presence there of Secretary General of the United Nations, U Thant to discuss the participation of Canada in the international peace keeping force in Cyprus. There was also