

STATEMENTS AND SPEECHES

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No. 51/27 CANADA'S CONTRIBUTION TO THE STRENGTH OF THE
FREE WORLD

An address by the Minister of Defence Production, Mr. C.D. Howe delivered to the Semi-Annual National Meeting of the American Society of Mechanical Engineers, at Toronto on June 13, 1951.

... Because of the presence of such a distinguished group of American citizens I intend to speak tonight about some aspects of the Canadian scene in which I believe our friends from south of the border have a particular interest at the present time. As a matter of fact, I thought that my address might take the form of a "quiz" in which I would attempt to answer some of the questions that Americans frequently ask about Canada.

Obviously, of course, I had to make a selection. For there are many questions you might ask about which I have no special knowledge. And, to be perfectly frank, there are certain points about developments in Canada that I feel are important which can only be discussed if I ask myself the right questions!

Well, here are the questions:

What part is Canada playing in the Korean war?

What is Canada doing to defend herself and the northern part of North America?

To what extent is Canada co-operating with the North Atlantic Treaty Organization?

How big is the Canadian defence effort?

What is the Canadian attitude to compulsory military service?

Why aren't there as many controls in Canada as in the United States?

Let me then begin with the first question: What part is Canada playing in the Korean war?

When the United Nations sent out a call for free nations to send armed forces to stop aggression in Korea, Canada immediately sent three destroyers to Korea and sent a squadron of heavy transport planes to operate between America and Korea.

Canada then acted without delay to mobilize and place at the disposal of the United Nations, a brigade of ten thousand combat troops. Recruiting began on August 9, 1950, and the required strength was quickly reached. On February 19th of this year one battalion of the famous Princess Patricia's Canadian

Light Infantry went into action. The balance of the brigade continued its training at Fort Lewis, Washington, and, in response to a request by the Unified Command, was sent to Korea. The entire Canadian brigade participated in the brilliant action which began a few weeks ago and which resulted in such a great victory for the forces of the United Nations.

These are the facts about our participation in the Korean war. Naturally enough, we are proud of the record of the Canadian forces. We think they have played an important and distinguished role. But Canadians do recognize that the brunt of the battle in Korea has fallen upon the American forces. It was the United States which gave leadership to the free nations when leadership was required and which has carried the major responsibility. We salute our American neighbours as brothers-in-arms.

I come then to the second question: What is Canada doing to defend herself and the northern part of North America?

The defence of our immense territory by a population of fourteen million people presents a unique problem. We must depend upon mobility, for even if all our men of military age are pressed into service, we could not hope to defend our sea coasts and our centres of population by any static defence. Therefore, our defence planning in Canada must emphasize air power and sea power; air power to focus the defence on the point of attack wherever it may be, and sea power to protect our coasts and our trade routes. The normal backbone of our active service infantry force is an airborne brigade, highly trained and specially equipped for warfare in the northland, that can be moved with all speed and dropped by parachute, if necessary, wherever an attack may occur. Our static defence includes fortifications for our coastal cities and anti-aircraft protection for our vital points. Our permanent force is backed up by a reserve army organized as a skeleton of six divisions, well-equipped and ready for mobilization on a reasonable notice.

In the event of war, we may expect air attacks from Russia. To meet that possibility our armed services are working in close co-operation with those of the United States. A screen of radar stations is being built, connected by a network of communications and backed by squadrons of fighters, strategically placed. The Canadian and American chains will be linked together to form a single system. One quarter of the system will be in Canada and will be built by Canada. To supplement this air defence, we are modernizing our heavy anti-aircraft guns to protect our vital points against bombing. We must also be prepared for the possibility of airborne troops being landed in North America. As I have stated, we have specially trained airborne troops to meet such an attack.

Our navy is being brought up to a strength of about one hundred ships, including one aircraft carrier, two-cruisers and a considerable number of destroyers and smaller escort vessels. We are building a fleet of well armed high speed escort vessels to cope with the latest edition of the Russian submarine. Our navy is expanding its air support to protect the approaches to our principal harbours.

That, in brief, is our approach to the defence of Canada and North America should an attack be launched directly against our home territory. We are not neglecting these home defences but neither are we relying upon them alone for our safety. Just as we supported without hesitation the police

action by the United Nations in Korea, so have we promoted and supported the North Atlantic Treaty Organization.

This brings me to the third question: To what extent is Canada co-operating with NATO?

As I have said, we in Canada look upon collective measures for defence by the North Atlantic Treaty Organization as a part of the defence of Canada. We are not isolationists and never have been. It is the view of the Canadian Government that the vital area of global defence is in Western Europe and we have acted accordingly.

Let me summarize briefly the practical steps we in Canada have taken in support of the North Atlantic Treaty Organization. In 1949 Canada offered to train army officers and aircrew for other NATO countries. Arrangements were worked out under which army officers and aircrew for Belgium, France, Italy, the Netherlands, Norway and the United Kingdom are being trained in this country. The total number of aircrew to be trained now stands at 1,400 per year.

Last year we offered to NATO armament and equipment of United Kingdom type for a division. This was accepted and shipped last year to the Netherlands. Armament and equipment for a second division was offered in February of this year, and formal transfer to Belgium took place in March. We have agreed to send armament and equipment for a third division to Italy. Further transfers will be arranged as soon as replacement of United States type can be obtained.

In addition, we are building munitions for NATO countries, which include early-warning radar sets, walkie-talkie sets, and several types of heavy artillery. Serious consideration is being given to other NATO requests, particularly those munitions that fit in with our Canadian production programme.

But Canada recognizes that equipment is not enough. We are making our contribution in men to the defence of Western Europe. As I have already said, we are strengthening the Canadian navy which has a vital role to play not only in the defence of harbours and coasts but also in guarding the life-line of shipping which stretches across the Atlantic Ocean.

Our most important contribution will be in the air. One Canadian squadron is already undergoing training in England. Within the near future this force will become a wing of three squadrons. Ultimately Canada will have in the Integrated Force an air division of eleven squadrons at full fighting strength equipped with Canadian-built planes.

Finally, Canada is now recruiting a brigade of the Canadian army which will take its place in the Integrated Force of NATO. The response to the recruiting campaign has been excellent and the quota will soon be filled.

That, in brief, is what we have done and are doing as our part in NATO. What we may have to do in the future I do not know. But I think it is fair to say that Canada is taking its treaty obligations seriously and is doing its part to make this alliance of peace-loving nations a mighty bulwark against the rushing tide of aggression.

How big is the Canadian defence effort?

If I had the time or the inclination I could present to you an elaborate set of figures comparing defence expenditures in Canada with those in the United States. But I am going to leave such an exercise to the statisticians. Besides, I sometimes think these comparisons do more harm than good. There are elements in the defensive strength of any country that cannot be reckoned in the simple arithmetic of government expenditures.

Canada has never shirked its responsibilities. We fully expect to carry a fair share of the sacrifices and costs of defence. On a per capita basis we shall probably carry more than many of our allies.

What we are trying to do here in Canada is to make the most effective use that can be made of the manpower and resources at our disposal. That is the guiding principle behind the Canadian defence effort. We are concentrating our efforts, as far as possible, upon doing those things which will add maximum strength to the defences of North America, of NATO and of the United Nations. That is the only policy that makes sense for Canada or, for that matter, for any country threatened with aggression in the modern world.

Canada's defence effort is a many-sided effort. I have spoken of military plans and accomplishments in Korea, in the defence of North America and in co-operation with NATO.

We are bringing into production the great variety of modern weapons needed for the armed services and for their support. Our emphasis upon air defence has made it necessary for us to build extensive facilities for the training of airmen not only for the Royal Canadian Air Force but also for the airmen of other NATO countries. In the field of aircraft construction we are building two types of jet fighter planes that we believe are the most efficient being built anywhere. We are also producing trainer planes, some of which will be used in the United States. We are coming into production with a jet engine suitable for our fighter planes and with a radial engine that will power our trainer planes. We have a very large radar programme in hand. Our shipyards are busy building fast escort vessels and minesweepers. Our largest gun plant of the last war has a programme in hand of naval guns and field artillery, partly for the United States. Our six arsenals are turning out small arms and ammunition.

But there is another side to Canada's defence effort. In our view, preparedness is not simply a matter of turning out, as quickly as possible, the maximum quantity of weapons and ammunition, or of putting the maximum number of men under arms. It is something far bigger and far more difficult.

The object of these preparations is not war. Rather it is to build up the collective strength of the free world so that the potential aggressor will not risk war. There must be available the forces and the material to withstand the shock of sudden and early attack. There must also be the reserves of power upon which to depend in the struggle for victory.

In Canada therefore we are concentrating a great deal of effort upon building up our fundamental economic strength. The evidence of this is not to be found, in the main, in government expenditures upon defence. Rather it is to be found in the plans and projects of basic Canadian industry. For example, whereas Government expenditure for defence production will total about one billion dollars this fiscal

year, investment by private industry in productive facilities vital to the defence effort of the free world will be about one billion five hundred million dollars. But whether these large amounts appear in government expenditures or in the investment plans of Canadian industry, they represent a demand upon Canadian manpower and resources. That is one reason why I do not think that the size of our contribution to the defence of the free world or the contribution of any other country is fully represented by defence expenditures.

It is perhaps hardly necessary for me to emphasize to a group of engineers the importance to the free world of an increase in the output of base metals or steel or petroleum or hydro power. Here in Canada we rate projects designed for these purposes on a par with defence industries. And it is fortunate for the free world that here in Canada the potentialities for expansion of these critical materials are so favorable. I shudder to think what the prospect would be if there did not exist in Canada, ready for development, such large deposits of iron ore, uranium, copper, nickel, lead and zinc and such large untapped reserves of water power.

My self-appointed "quiz" has only two questions to go: First, what is the Canadian attitude to compulsory military service?

Perhaps the chief source of criticism of Canada by Americans is that we do not have a system of compulsory military service. That is quite true but because we do not have compulsory military service does not mean that we are holding back in our preparedness effort. As I told some American friends in Chicago some weeks ago, the facts are quite to the contrary. In the opinion of the Canadian Government, Canada's defence effort would be weakened instead of strengthened by an attempt to introduce conscription at the present time. What I ask you to remember is that, when in the past the need arose for men to fight for freedom, Canada was not found wanting, either in quality or in quantity. Some time ago, our Prime Minister, the Right Honourable Louis St. Laurent, placed his views before the House of Commons on this problem of compulsory military service. I cannot do better than quote him:

"... we have been endeavouring to obtain the best possible information as to the most effective way in which our contribution can be made. So far there has been brought to my attention nothing that would indicate that the institution of national selective service at this time would be beneficial. On the contrary, the information we have obtained is that it would hamper what is being done at this moment. Now, that does not mean that the situation cannot change, and it does not mean that if and when it does change there will not be changes in the manner in which our resources will be contributed to this pool of international strength. But those changes will not be recommended by this government on any sentimental grounds because of any appeals on a racial or religious basis, but on their actual effective value to the joint strength of the combined forces of the North Atlantic alliance."

One final question, and that relates to controls in Canada and the United States. Some of you may have wondered why there seem to be fewer controls here in Canada than in the United States and drawn the inference that the defence effort is not impinging so sharply upon the Canadian economy as it is upon the United States economy.

This is a case in which, to some extent at least, appearances are deceiving. Here in Canada the Federal Government has been employing different methods of influencing the economy, not necessarily better methods than those employed in the United States but, in our opinion, better adapted to Canadian circumstances.

In fact, some of the Canadian controls are more restrictive than those in the United States. Our consumer credit controls are more comprehensive, require a higher down payment and a shorter period of repayment than those in effect south of the line. Our banks are co-operating in a stricter credit policy.

We have also attempted in the federal budget to strike at the roots of the inflationary problem, by following a pay -as-you-go policy and by tax changes specifically designed to discourage consumer spending and less essential business investment. Some of you may have heard of our plan of deferred depreciation by which depreciation is deferred on a wide range of private capital investment for a period of four years. Canada is the first country to experiment with such a plan and the results to date seem to be good.

As to scarce materials, our controls differ from those in the United States but they are designed for much the same purposes and will, I believe, produce at least as good results. Wherever possible, however, we try to keep our materials controlled on an informal basis. This is possible in Canada because of the comparatively few producers involved.

It has not been considered advisable to establish a system of price controls in Canada. For the time being we are relying on more fundamental anti-inflationary policies, and those policies are working. Prices in Canada, like prices in the United States, are much more stable than they were a few months ago. We have not had spectacular price cutting wars like those in New York, but some sellers in Canada have found, I believe, that over-accumulation of inventories has not paid off. I hope we shall not have to impose widespread price controls in Canada, and if people are sensible and avoid hysteria I think that we can, with some extra productive effort on everyone's part, avoid them. Nevertheless, the power to control prices is ready at hand should the need arise.

In closing I suggest to you, that Canada is a good neighbour to the United States in time of peace and a sturdy ally in time of danger. It is our purpose in Canada to make the best possible use of the resources with which we are endowed. We are pressing ahead on every front - to find and develop our mineral resources, to make the most efficient use of our forests and streams and to expand the output of our farms and fisheries. Nor are we neglecting industry. The long-run trend towards diversification of the Canadian economy continues at an accelerated rate.

But these material accomplishments are by no means the whole story. We Canadians take more satisfaction, I believe, from the fact that we pay our bills, pull our weight and preserve our national integrity.

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