

STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 51/7 CANADA'S ROLE IN THE DEFENCE OF THE FREE WORLD

An address by Mr. C.D. Howe, Minister of Trade and Commerce, delivered to the Commercial Club of Chicago on February 27, 1951.

...I took your invitation extended to a Canadian to mean that you expect me to speak about Canada. After reading current magazine and newspaper articles about Canada's war effort, and after talking to some of my friends in this country, it seemed clear to me that a Canadian speaking to his American friends, should talk frankly and fully about Canada's part in the defence of the free world. I intend to do so.

Some of you may think that we Canadians are touchy, too ready to resent the suggestion that we are doing less than our duty in this time of peril. That may be so, but I doubt it. What I am concerned about is that my American friends should have a clear explanation of the Canadian position, including a statement of what we are doing. If the facts are fully known there will be less room for misunderstanding or for misrepresentation.

We Canadians believe that the good relations between our two countries are founded on independence and mutual respect. We do not expect the United States to carry our burdens, even though it has twelve times the population and eighteen times the productive strength. Your country has made generous gifts and long-term loans to most countries of the world, but never to Canada. Canada has never asked you for other than occasional short-term accommodation and Canada would never have accepted your gifts even had they been offered to us. In fact we have, out of our more limited wealth, made our own gifts and loans to less fortunate countries during the post-war period.

So it is in this present period of emergency. We expect to carry a fair share of the sacrifices and costs of collective defence. On a per capita basis we shall probably carry more than many of our allies.

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 were 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 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 back-bone 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 reasonable notice. In the past two wars, it has been our reserve army that has produced the divisions that have fought in Europe.

Canada's aims and objectives in the present emergency are similar to those of the American people. We believe that the next eighteen months constitute the period of greatest danger to the free world. We believe that war is not inevitable, but we believe that every effort must be put forth to arm with all speed as the only possible means of preventing war. We believe with you that the aggression in the Far East must be resisted until an honourable settlement can be brought about, but we believe that the greatest menace to North America lies in Europe.

Canadian preparedness policy is guided by one leading principle -- to make the most effective use that can be made of the manpower and resources at our disposal. To put it another way, we are concentrating our efforts, so far as possible, upon doing those things which will add maximum strength to the defences of North America and of the North Atlantic Treaty Organization. That is the only policy that makes sense for Canada or, for that matter, for any other country threatened with aggression.

The Canadian Government believes that the best place to meet and defeat aggression is as far away from Canada as possible. We look upon collective measures for defence by NATO as part of the defence of Canada, but at the same time we are strengthening, as quickly as possible, the defences within Canada that are designed to make North America itself able to defend this continent against attack from any quarter.

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 acted without delay to mobilize and place at the disposal of the United Nations, a brigade of ten thousand combat troops. One battalion of these troops is presently fighting in Korea and the balance of the brigade is stationed at Fort Lewis, Washington, ready to move to Korea, or to Europe, as the United Nations command may recommend. A few days ago, we were asked to send to Korea a further 5,000 troops with their equipment, and this will be done without delay. At home Canada is building up her fighting strength against whatever peril the future may bring.

We plan to offer to NATO forces in Europe, in addition to ground troops, an air division of eleven squadrons at full fighting strength, equipped with F-86E fighters and long range twin-engined jet fighters, designed and built in Canada, that carry the name "Canuck". These aircraft are powered with jet engines also designed and built in Canada, an engine which when first put on the test block was, and is probably today, the most powerful jet

engine being manufactured on this continent. One of our air squadrons is presently training in England and another two squadrons will move there shortly.

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 yours. 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.

We are bringing into production the great variety of modern weapons needed for the armed services and for their support. Procurement of the weapons and equipment is a civilian job in Canada, and was carried out under my Ministry in the last war. The same job is being entrusted to my care in the present emergency. This combination of the service requisition with civilian procurement has won favour in our country. It is the duty of the services to say what they want in the way of equipment, and when and where they want it, after which the civilian organization takes over the task of production and supply. From 1939 to 1945, Canada produced weapons and war equipment to a value of about thirteen billion dollars, of which only about 30 per cent was used by our own armed services and the balance shipped to our allies. We are vastly stronger industrially now than then, and I can promise you that the job of equipment and supply is not beyond our experience or capacity.

Our emphasis upon air defence has made it necessary for us to build extensive facilities for the training of air crew. During the last war, we trained not only airmen for Canada, but great numbers of airmen for Great Britain, Australia, New Zealand and other allied countries. We have again offered our facilities to other NATO countries and the offer has been well received. Air crew are now training in Canada for Belgium, France, Italy, the Netherlands, Norway and the United Kingdom.

In past wars, Canada has fought with British type equipment. The nature of the present emergency is such that it has seemed desirable for Canada to change over to U.S. type equipment as rapidly as possible.

This decision has enabled us to furnish British type equipment for one full division to the Netherlands and we

are in process of shipping the same type of equipment for a full division to Belgium. We welcome this opportunity to extend immediate help toward the mobilization of troops of Europe.

In the field of aircraft construction, we are building two types of jet fighter planes that we believe to be the most efficient being built anywhere, and we are also producing trainer planes, part of which will go toward your training program. 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 mine sweepers. 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. The latter programme, as well as the programme for army vehicles, is being handicapped by lack of standardization of equipment among NATO countries. I am happy to say that just the other day, the United States, United Kingdom, France and Canada were constituted a committee of NATO to decide on standard types of weapons and equipment that will be recognized by all NATO countries.

In this brief review, I have sketched in one part of Canada's role in the defence of the free world. But it is only one part of the story. Behind these military plans, and preparations supporting them, lies an accelerated effort in the field of production.

It is a many-sided effort. For Canada, in the space of a relatively few years, has become a major industrial power. We are no longer hewers of wood and drawers of water for more highly industrialized countries. The Canadian economy has shown itself versatile and efficient in the production of a wide variety of products essential to modern life and security.

Business men of the United States have participated in that development to the mutual advantage of Canada and the United States. We welcome that participation. We hope it will continue and grow. There is plenty of room in Canada for those with skill and enterprise.

What we are doing is far more than economic preparedness. It is not simply a matter of turning out as quickly as possible, the maximum quantity of weapons and ammunition. It is something far bigger and far more difficult. We must plan, and we are planning for the long pull, as well as the immediate emergency. Moreover, we must be, and we are, ready at a moment's notice to shift the emphasis.

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. Neither can be neglected.

That leads me to speak of the complications involved in organizing war production in the present circumstances.

Were we presently in an all-out war, the problem would be simple. The task would then be to produce the maximum of weapons with the materials at hand, as we did in the second world war. However, at the present time this is not all-out war. We are told that the danger may continue for the next ten years without all-out war. We are faced with questions such as the following:

Should we use part of our limited steel production to expand our steel industry? The industry would like to proceed with a badly needed expansion amounting to about 30 per cent of our present productive capacity. We have given this expansion the green light.

How much of our productive capacity should be used in expanding our petroleum industry? Canada, in the last war, was largely dependent upon the United States for this vital war material. Since then, discoveries in Western Canada have made it possible for Canada to approach self-sufficiency and, in due time, to contribute to your requirements. We think this programme is essential.

The last war sadly depleted your iron ore reserves in the Mesabi area. Important new discoveries have been made in Canada, on the Quebec-Labrador border, at Steep Rock in northern Ontario, and at Sault Ste. Marie, Ontario. Vast quantities of material are needed to bring these three projects into full production but, without them, your steel industry and ours can hardly continue to operate at capacity.

We produce most of the nickel in the world and are important suppliers of copper, zinc, lead, aluminum and other strategic minerals, all of which are in short supply. These sources of supply can be expanded, but the question is how much material and manpower should we devote to that task?

Canada is an important producer of uranium, the basic material for the atom bomb, and is in process of expanding its production of plutonium. Surely that work cannot be neglected?

Supplies of synthetic rubber and strategic chemicals should be expanded. What of wood pulp and paper and hydro-electric power? Use of these fundamentals for wartime production is constantly expanding and Canada is one of the few free nations capable of keeping up with the demand.

What of the St. Lawrence Seaway? It is becoming daily more obvious that we cannot transport required quantities of iron ore from northern Quebec to the steel mills of the Great Lakes until this waterway is built. We also badly need our share of the hydro-electric power which is incidental to its construction. I have come to the conclusion that the development of the St. Lawrence Seaway is a "must" as a part of effective mobilization of our resources for war. Without this development, it is obvious that the steel industry, presently centered on the Great Lakes, must before long migrate to the Atlantic coast.

These are only a few of the headaches. We have already applied end-use control to steel and have prohibited the use of steel for office buildings, shops,

places of amusement, and a long list of less essential construction. We are also cutting back the non-essential use of strategic metals. I am afraid that this must inevitably be only the beginning of a controlled materials plan that will extend to all war commodities.

This far-reaching program of defence production is being worked out in close co-operation with all North Atlantic countries and particularly with the United States. During the last war, Canada and the United States pooled their resources to an unprecedented extent. We are profiting from that experience. Last October your Government and mine agreed to a statement of principles for economic co-operation. Let me quote just one sentence from that statement:

"Our two governments shall co-operate in all respects practicable, and to the extent of their respective executive powers, to the end that the economic efforts of the two countries be co-ordinated for the common defence and that the production and resources of both countries be used for the best combined result."

That is not just a pious declaration of principles. It is a working document, producing tangible results every day. By mutual arrangement we are buying substantial quantities of war equipment in the United States. You, in return, are placing war contracts in Canada but contracts so far placed by Canada are about eight times as great as those placed by you. May I add then that I believe you could with advantage place more contracts and sub-contracts in Canada.

Another example of the close co-operation which has developed is in the field of allocations of scarce materials. Each of us is extending to the other country a similar priority on steel as it extends to its own defence orders. We are co-operating in the allocation of steel for essential programs such as the building of railway cars, ships and locomotives.

I look forward to even closer economic relations in the future. As Minister in charge of defence production, I have received the most complete co-operation from those charged with similar responsibilities in your country and I hope, and believe, that they can say the same of their counterparts in Canada.

Like you we are much concerned about inflation. Canada's defence appropriation for next year is about one billion six hundred million dollars, and for the next three years, taken together, is to be about five billion dollars. To you in the United States who are used to thinking in astronomical totals, the figures may not appear large, but relatively they represent something like a comparable drain on the national output. We know, as you do, that appropriations for military preparedness tend to grow rather than to shrink, and I believe that when the emergency is over you will find that our defence expenditures are relatively comparable to your own.

We are planning to cover these expenditures out of current revenues, in other words to be on a pay-as-you-go

basis. That is the fundamental principle of our anti-inflationary policy and will be followed as long as it is feasible. This year we have a substantial budgetary surplus. In addition we have curbs on the use of consumer credit and on housing loans, and credit policy in general is restrictive.

One interesting contrast between our two countries is in the extent of government controls over the economy. This could be a cause of misunderstanding, and I shall therefore say a few words by way of explanation.

My first comment is that the extent of controls is not necessarily an index of the impact of defence preparations. Canada is not a smaller edition of the United States. It is a country with quite different characteristics and different institutions. It is possible in Canada for the Federal Government to exert its influence over the economy by less direct and less obvious methods than seem possible in the United States.

Nevertheless we are moving into direct controls in order to ensure that essential materials are available for the defence effort, and I have no doubt that we shall move more quickly in the near future. We shall certainly not hesitate to use such controls if they are necessary to speed up defence production or to co-ordinate plans in our two countries.

As to price and wage controls, Canada is moving cautiously. We are watching with intense interest your efforts to control prices in the United States. We earnestly hope you will succeed in attaining a reasonable measure of stability for only if that happens can we in Canada hope to avoid serious trouble. Dependent as Canada is to such a large extent upon the United States as a source of supply and as a market for Canadian exports, it would be extremely difficult, even if it were wise, for us to insulate our prices from yours.

I do not suggest for a moment that Canadians can relax and let the United States solve the price control problem for them. That has never been the Canadian attitude and never will be. Canada is pursuing fundamental anti-inflationary policies as vigorously as ever. All I say is that if you in the United States succeed in your efforts to stabilize prices, one of the most powerful external pressures toward rising prices in Canada will be relieved.

During the last war Canada took the lead by imposing a general ceiling on prices in November of 1941 before Pearl Harbour. The Canadian Government doubts whether the same action would be feasible for Canada under present circumstances. We are therefore asking Parliament for powers that would enable us to put into effect, when they become necessary, the kind of controls best suited to prevailing Canadian conditions.

To put the position in a nutshell, the Canadian Government has the same general aims as the United States Government in the field of economic policy. We do sometimes, and for good reasons, differ in the methods employed to attain those aims.

I should perhaps touch on the chief source of criticism of Canada which is that we do not have a system of compulsory military service. That is true, but that does not mean that we are holding back in our preparedness effort. Quite 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. All 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. A few days 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."

That is my story. I have welcomed this opportunity to talk about Canada and what we are doing to help strengthen the defences of the free world against aggression. Like you, we regret the necessity for such a colossal waste of human and material resources. There is so much to be done to improve the lot of mankind that must now be postponed because of the insane ambitions of the Kremlin. But as General Marshall said in his 1950 Memorial Day address, "There is nothing to be said in favour of war except that it is the lesser of two evils. For it is better than appeasement of aggression, because appeasement encourages the very aggression it seeks to prevent."

I am confident that under the inspired leadership of General Eisenhower the NATO countries will, with all speed, provide forces in being in Europe, and on this continent, that will forever end the threat of aggressive Communism.