STATEMENTS AND SPEECHES

INFORMATION DIVISION DEPARTMENT OF EXTERNAL AFFAIRS OTTAWA - CANADA

No. 63/16

Statement by the Honourable Paul Martin, Secretary of State for External Affairs, to the Special Committee on Defence of the House of Commons on July 25, 1963.

Mr. Chairman and members of the Committee, I welcome the opportunity to outline to you the relationship between the defence policy and the foreign policy of the Canadian Government, and the means whereby the necessary co-ordination between the two is sought to be accomplished. The very fact that you have seen fit to invite me to appear before the Committee is an indication of your awareness that the foreign and defence policy of this nation are inseparable. Indeed, in the nuclear age this is true of all states, since their foreign and defence policies have but a single objective ---

Mr. Pearson, the present Prime Minister, speaking before the Air Force Veterans' Association in November 1959, aptly described defence as follows:

"...defence now means the exercise of wise and farsighted diplomacy; reliance, not on national strength alone, but on collective policy and action inside a coalition like NATO; keeping our economies strong and free and healthy; helping those under-developed countries who are now emerging into the modern age and who will largely determine by the way they do it, whether the future on this planet is to be one of conflict or co-operation. It means also defence of the deepest, highest values of our life and civilization, against those forces of disruption and debasement which challenge and threaten them from within...

"...defence now is the preventing of wars through the solution of international problems by pacific means, the strenghtening of free, democratic society and the promotion of co-operation and friendship between all peoples."

Now, Mr. Chairman, that description, with its accent on the preventive nature of defence policy, is a far cry from the role of armed forces in yesteryears. Gone are the days when there was truth in the maxim that armed forces take over when diplomacy fails. This once hallowed dogma has ceased to have validity today for two principal reasons:

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In the first place, major military power is no longer held physically in rear areas to be sent out only when peaceful negotiation fails. Today's system of alliances and their integrated commands together with long-range striking power at constant alert have brought military forces to forward positions on the main fronts of international tension. In the new circumstances of more or less permanent confrontation of major military power, the extent to which co-ordination of foreign and defence policy becomes imperative is obvious.

Secondly, it is no longer possible to rationalize major war as an instrument for the attainment of political ends...for the traditional concepts of victor and vanquished have been overtaken by technological advances in the art of war. In an age when the principal military powers each possess many times over the destructive power of all the weapons used in all previous wars, and have the means to deliver it so dispersed and so well protected that neither could escape unacceptable damage in a thermonuclear exchange, no matter who should initiate it, the principal purpose of the armed forces of all responsible powers has become one of deterring rather than winning major wars, and of containing small ones by the graduated application of the minimum force needed to restore order. The important developments in recent days which have been taking place in Moscow are evidence that the major nuclear powers at least are beginning to accept the essentials of deterrence as I have described it. By the same token the aims of defence policy become the more clearly identical with the main purpose of foreign policy -- the preservation of peace.

We saw in the Second World War how all other interests had to be set aside and subordinated to the one end -- the restoration of peace. But think how much more imperative is the need to preserve that peace in an era when meaningful victory would elude even the strongest powers. My colleague the Minister of National Defence in his statement on June 27 stated that defence policy was an extension of foreign policy, and that is true in the sense that national external objectives no longer can be determined, as they were in earlier periods of history, by the degree of military force that could be brought to bear. I prefer, however, to look upon foreign and defence policies -- and indeed, foreign economic policy as well -- all as inseparable elements in the conduct of Canada's external relations. Indeed, NATO itself offers a striking example of the extent to which the foreign and defence policies of the entire Western world are indissolubly linked, for it is in the NATO Council in permanent session (and from time to time in ministerial session) that the defence policies which guide the vast apparatus of the alliance are continuously harmonized with the foreign policy objectives of the alliance itself.

I must first outline what I regard as the main factors which determine the foreign policy of an established middle power such as Canada. I believe that to be an honest appraisal of where Canada stands in a world in which there are two superpowers, a handful of what might be called great powers -- those that have recognized world responsibilities or have pretensions to world influence, -- and at the other end of the scale a vast array of newly-independent and economically under-developed countries.

We have no need to pursue certain aims peculiar to super and great powers, and others that animate the less fortunate countries. We do not have to support a vast metwork of international alliances or pursue expansionist policies in respect of territory or resources. Our aims are less finite, less tangible and in some ways more difficult to define.

Lajor Foreign Policy Determinants

Our foreign policy, like that of most other countries, a is a product of many fixed factors which condition our responses to the shifting international scene -- factors such as our history, our legal traditions, our resources, our racial composition and our geographical location.

Historically, we are a country which evolved non-violently from colony to nation -- a background which has given us a strong belief in independence and orderly ending of colonial rule and a preference for evolution over revolution as the method. It has given us strong ties with two major European powers, Britain and France, and, as others have followed our constitutional example, a belief in the Commonwealth as an institution. Our history has made us internationally-minded from the date of our birth nearly 100 years ago, conscious always of being a member of a world-wide grouping of peace-loving states.

In our traditions we have inherited British precepts of law and parliamentary government blended with the French system of codification, which have made us instinctive and strong advocates of the rule of law on an international scale. These legacies have affected our attitude towards observance of treaties, and other instruments such as the International Court of Justice for regulating relations between states in an orderly and civilized way, and, above all, have made us strong advocates of the United Nations, the main vehicle through which the international family of nations is striving, for the second time, to give expression to the universal desire for an ordered and peaceful world.

In resources, we are well enough blessed that we need have no external territorial ambitions. Indeed, the fact that we have productive capacity in excess of the needs of our population has made us world traders with a profound interest in the freest possible international exchange of goods under sensible international regulation of tariff levels and conservation measures. The size of the excess of our resources over our needs has enhanced our international influence as a major world trader.

Our geographical location in the northern and physically less hospitable half of this continent has probably condemned us in perpetuity to a comparatively small population in relation It has. to territory and perhaps in relation to our neighbour. at the same time, deprived us of all neighbours but one, and that one the most powerful nation on earth. While other nations face problems of relations with a multiplicity of neighbours, often hostile, we are more fortunate and, in truth, because of the disparity in size, Canada could not subsist in freedom adjacent to a hostile United States. Friendly co-operation with our closest neighbour and largest trading partner is a basic require-ment of Canadian foreign policy, both for economic and security At the same time, we are a political entity, both in reasons. cultural composition and traditions of government. The objective in our relations with the United States must always be to reconcile the preservation of those interests which are the essence of our sovereign individuality with the need for friendly co-operation in an interdependent continent and world.

Finally, and perhaps more important, our cultural make-up exerts a profound effect on our foreign policy. With our two basic cultures, to which many new influences have been added through immigration, we have enduring ties of blood and language with Europe which cause us instinctively to look across the Atlantic to our cultural origins. Domestically, our own biculturalism has given us tolerance and an ability to compromise and adjust. It is this national experience which has given Canada a fundamental belief in the effectiveness of mediation, negotiation and patient accommodation in the international field.

All of these factors have combined to make Canada a lawabiding international nation, with a strong instinct to see the relations between states regulated in the same orderly way that our internal affairs are run. Despite an excellent record in war, we are internationally recognized as a peaceful state. The fact that others do recognize these qualities in us in part prescribes our role in international affairs, for we are often sought out to perform duties where fair-mindedness and an absence of international ambition are the desired criteria.

Tansitory Factors

These, then, in broad outline, are the factors constantly affecting our external attitude both politically and militarily. Eut there are other factors, more transitory in nature, which of necessity exert great influence upon us. By these I mean those major international forces currently at work which determine the circumstances in which Canada must play out its international role. In the post-war period. I identify three such dominant factors.

(1) the breakdown of the co-operation of the wartime allies and the emergence in its place of a power struggle between the conflicting ideologies of international Communism and Western democracy;

- (2) what I would call the nuclear equipoise -- the development by two powers of the ability to wipe out civilization (as I have indicated, this development is in the process of revolutionizing the role of war as an instrument of policy);
- (3) what Prime Minister Nehru called "the revolution of rising expectations" (this embraces not only the vast movement towards independence which has marked the decline of the colonial era but also the ever more insistent demands of less-developed nations for a higher standard of living).

It may not be immediately apparent how all of these factors influence our defence policy, but I believe all the Members will see how they bear on our foreign policy, from which our defence posture is inseparable.

I I should like to briefly state, without particular order of priority, some of the main aspects of Canadian foreign policy as they have developed over the last 10 to 15 years. I then propose to describe the inter-departmental machinery used by the Departments of External Affairs and National Defence to co-operate in carrying out the policies of the Government.

In the knowledge that Canada could not alone defend itself and in face of the Soviet threat that developed after World War II. Canada has subscribed to the principle of collective security; hence we became a charter member of the North Atlantic Treaty Organization and we have co-operated with the U.S.A. in the defence of North America. Canada has, in addition, been a firm supporter of the United Nations and, as international peace-keeping machinery has developed, both inside and outside the UN, we have taken a full share in providing the necessary forces to carry out this international responsibility. We have always believed in the vital necessity of reducing and eliminating the means of waging war and we have become increasingly concerned about the trend towards an unrestricted arms race; for this reason, successive Canadian Governments have played an active part in the search for meaningful agreements in the fields of disarmament, arms control and nuclear testing. As a senior member of the Commonwealth, we have maintained close relations with its newer members and, as part of our policy of helping these new countries, we have worked out with certain of them arrangements for technical military training and aid. This is a formidable list of responsibilities, and I Would ask you to remember that Canada is not a major power and that what we are able to do is necessarily limited by our financial and manpower resources.

External Affairs and Defence

It is in these areas of U.S.-Canadian defence co-operation, NATO, international peace-keeping, disarmament and Commonwealth aid that there is a close working relationship between the Departments of National Defence and External Affairs. Before describing how this works, I should like to say a brief word about the specific responsibility of External Affairs in the defence field. Ultimate responsibility for defence policy rests with the Cabinet as the executive authority of government for all decisions relating to defence questions. There is also the Cabinet Defence Committee, which considers defence questions and reports to the Cabinet on major matters of defence policy. The Prime Minister acts as Chairman of this Committee, and both the Minister of National Defence and myself are members of it. The Department of External Affairs, through myself as Secretary. of State for External Affairs, has general responsibility for advising the Government and implementing action, where necessary, on the foreign-policy implications of defence arrangements. Specifically,

- (1) co-ordinates and advises on the preparation of international defence agreements;
- (2) co-ordinates and advises on the implementation of certain specific defence agreements;
- (3) advises on the effects of Canadian defence policy generally as it relates to other governments.

To carry out these responsibilities within the Department, we have Defence Liaison Divisions, which, in consultation with the political and functional divisions of the Department, deal with NATO matters, Canada-U.S. defence problems, co-ordination of intelligence, international peace-keeping both under UN auspices and otherwise and technical military assistance to newly-independent countries. A separate Disarmament Division is responsible for liaison with the Department of National Defence and for co-ordination of instructions to Canada's Disarmament Delegation. These responsibilities are co-ordinated through an Assistant Under-Secretary of State for External Affairs responsible to me through the Under-

If Canada is to have foreign and defence policy commensurate with its national requirements and capabilities, the Government must be able to work from a given and agreed set of facts. For the defence department of a country to base policies on one set of facts and the foreign office of that country to base policies on another is bound to lead to utter confusion, and it has been the practice of Canadian Governments, particularly since the end of world War II, to ensure that foreign and defence policy are based or agreed intelligence. Agreed intelligence and intelligence policy are the responsibility of inter-departmental committees on which sit representatives of the armed services, the Defence Research Board, the Royal Canadian Mounted Police, and the Department of External Affairs. The chairmanship of these committees is provided by the Department of External Affairs. Further details on this aspect of co-operation are of necessity classified but I can tell you that it works well. I turn now to a description of the machinery of interdepartmental co-operation in the various areas where Canada has specific defence and foreign policy commitments.

NATO Hierarchy

The highest authority in NATO is the Council, which is organized to meet at the level of ministers or permanent representatives. Ministerial meetings occur usually twice a year, the most recent being in Ottawa, but permament representatives usually meet on a regular weekly basis and otherwise as often as circumstances dictate. The permanent delegates in Paris speak for their governments in the NATO Council and the Canadian NATO delegation is in the charge of a senior member of the Department of External Affairs with the rank of ambassador, at present Mr. George Ignatieff. He has serving under him a senior military adviser, a number of officers from the Department of External Affairs, as well as representatives from other departments dealing with such matters as defence production, the financial aspects of Canadian defence commitments to NATO, emergency planning and scientific co-operation and research.

Important matters of military policy that have been approved by the Military Committee of NATO come before the Council from time to time and instructions to our NATO delegation on such questions require close co-ordination between National Defence and External Affairs. The Council, as the supreme body of the alliance, is itself, concerned with strategic policy and overall defence blanning and, in recent years particularly, the Council has concerned itself with the problems that arise from operational planning and control of the nuclear forces available to the alliance. At the Ottawa meeting the NATO ministers directed the Council in permanent session to undertake further studies of the interrelated questions of strategy, force requirements and the resources available to meet them, and the Council is now beginning this major Canadian views on these politico-military questions are review. sent to the NATO delegation regularly in the form of telegraphic instructions. The instructions themselves are the product of consultation between the Department of External Affairs and the Chairman of the Chiefs of Staff, who is responsible in the Department of National Defence for advising the Minister on policies relating to NATO.

To carry out the day-to-day work of the alliance, there are numerous NATO committees and the provision of instructions to the Canadian delegates to these committees requires close interdepartmental co-operation in Ottawa. Examples that come to mind out of the 20-odd such committees that exist are the Annual Review Committee, the Armaments Committee, the Science Committee, the Infrastructure and Military Budget Committees. The general rule in Ottawa is that the department or service primarily concerned is responsible for drafting instructions to the delegation, and the Department of External Affairs is responsible for co-ordination and ensuring that the instructions are compatible with Canadian foreign - 8 -

policy before despatching them to our delegation. The foreign policies of the member states are, of course, harmonized to the greatest possible extent through continuous consultation in the Permanent Council.

Another important aspect of Canada's NATO programme is mutual aid. Since 1950 Canada has provided over \$1.75 billion to member nations of NATO in the form of transfers of equipment from production or service stocks, aircrew training in Canada, and financial contributions to NATO common infrastructure and military budgets. The responsibility for providing the aid rests with the Department of National Defence and the policy questions relating to who should get what aid and the negotiation of the arrangements under which the aid is to be provided are matters on which the Department of External Affairs advises.

Canadian co-operation with the United States in the defence of North America has acquired added significance because of our unique geographic position, placing on Canada a responsibility to help to protect the U.S. nuclear-deterrent forces which are the final guarantor of the security of the Western alliance. As the House has been informed, we are now negotiating an agreement with the United States to make available nuclear warheads to make effective the weapons systems already acquired by the Canadian armed forces. The Department of External Affairs has primary responsibility for negotiating such an agreement, although naturally we rely for expert advice on the Department of National Defence. In the negotiation of defence agreements and where consultation on the implementation of agreements on policy questions arise, the normal diplomatic channels between the Department of External Affairs and the Embassy in Washington or between the Department and the U.S. Embassy here are available and are often heavily engaged in such matters.

In addition, the Department of External Affairs is represented on those inter-governmental bodies on defence which deal with more than the purely military aspects of defence questions. One such body is the Ministerial Committee on Joint Defence. In 1958, the United States and Canada agreed that the importance and complexity of interdependent defence relations made it essential to supplement existing channels for consultation and to provide for a periodic review at the ministerial level. It was envisaged that this review would include not only military questions but also the political and economic aspects of joint defence problems. The Committee consists on the U.S. side of the Secretaries of State, Defence and Treasury and, on the Canadian side, of the Ministers of External Affairs, National Defence and Finance. The last meeting of this Committee was held in 1960, but, as the Prime Minister and President Kennedy announced at Hyannis Port, a meeting will be held in the latter part of this year probably, but the date has not been fixed.

I do hope --- if I may say by way of parenthesis --- that this Committee of ministers from both countries in this particular field would be able to meet some time around the early part of pecember. And I might add that the other committee of ministers from both countries, dealing with economic and trade matters, I hope would meet sometime between 8 and 25 September or, if not then, some time --- I would hope --- between September 8 and the early part of October.

Permanent Joint Board on Defence

Supplementing the Ministerial Committee is the Permanent Joint Board on Defence, which has been in existence since the Ogdensburg Declaration of August 1940. The Board comprises both civilian and military representatives and thus permits open and frank presentation on a thrice-yearly basis of the civilian and military viewpoints of both countries on current defence questions. The board comprises a Canadian and a U.S. Section. The Chairman of the Canadian Section is Mr. Dana L. Wilgress, a distinguished Canadian public servant who, before he retired from the Department of External Affairs, was Canada's Permanent Representative to NATO. In addition, the Vice-Chiefs of Staff of the three services are members and there is also a member and secretary provided by the Department of External Affairs. For some years, representatives of the Departments of Transport and Defence Production have attended Board meetings. Where it is desirable, each section may have in attendance for particular meetings representatives of other government departments. Over its 23 years of existence, practically all of the important joint defence measures taken since 1940 were originally discussed in the Board and many of them resulted from the Board's recommendations, and made by the Board.

The Board is a wholly advisory body, and does not have the authority to enforce decisions or to take implementing action on substantive matters.

Disarmament and defence are sides of the same coin, in that they are alternative routes to national security. It is evident that the requirements of our national defence have an important bearing on the positions we take in international discussions on disarmament. In the longeterm, the alternative to disarmament would be increased competition in armaments and ever-larger military budgets, without any lasting guarantee of peace and mutual security. It is for this reason that Canada must continue to work for the adoption of a programme of comprehensive disarmament under effective international control. We believe that the Eighteen-Nation Disarmament Committee provides a satisfactory forum for discussing specific disarmament proposals, and that Ganada -- as a member of that Committee -- can best contribute to maintaining progress in these discussions by assisting in the formulation of realistic Western proposals.

At the same time we have to recognize that until there has been a substantial degree of actual disarmament -- with a parallel increase in the peace-keeping capabilities of the United Nations --Canadian security will depend primarily on collective defence within NATO and under NORAD. But, just as it is important to ensure that our national policies on defence and disarmament are compatible - 10 -

with one another, it is equally necessary that a similar balance of aims be achieved in the Western alliance as a whole -- and Canada can, I believe, help to bring this about in the course of regular consultations as we do within the North Atlantic Council.

I need hardly point out to Members of the Committees how important it is for our activities in these two closely-related fields to be fully and effectively co-ordinated between the various government departments concerned.

The Disarmament Division of External Affairs maintains regular contact with the Defence Research Board and the Directorate of Strategic Studies of the Department of National Defence on research into the technical aspects of disarmament as well as on disarmament policy generally. General E.L.M. Burns is the adviser to the Canadian Government on disarmament and has responsibility for the direction of general operations and research projects, as well as being head of the Canadian delegation to the Eighteen-Nation Disarmament Conference in Geneva, whose session will shortly be resumed. The disarmament delegation under General Burns consists of officers from the Department of External Affairs and a military adviser from National Defence. In Ottawa it is the function of the Disarmament Division and the Directorate of Strategic Studies to assist General Burns in carrying out his responsibility as Adviser on Disarmament to the Government.

We have over the years assumed a variety of international peace-keeping responsibilities. I know that my colleague, Mr. Hellyer, mentioned these in his statement, and I would like to amplify them. We took part in the United Nations action in Korea and in the United Nations force in West New Guinea and, as you will have learned from the Chiefs of Staff, Canadian armed-forces personnel at this time are serving on the Jordan and Syrian borders, the Gaza Strip, the Congo, whose operations are soon coming to an end, the International Commissions in Laos, Vietnam and Cambodia, Kashmir and the Yemen.

Co-operation in these operations between the Departments of External Affairs and National Defence is essential, but formal advance planning for them is very difficult. We can never know, I suppose, when a request will be received from the United Nations now for what type of personnel. My colleague, the Minister of National Defence, has already mentioned the army battalion which has been earmarked for United Nations service since 1956. Yet it has never been asked for and, instead, we have provided a reconnaissance squadron, administrative troops and the RCAF personnel for the United Nations Emergency Force in Gaza, observers for Kashmir, Pelestine and Indochina, specialized Air Force personnel for the Viengo and the Yemen and signallers for the Congo. Operations in Vietnam, Laos and Cambodia are, of course, not United Nations

Let me describe what happens when a request is received from the Secretary-General of the United Nations, as it recently was in the case of Yemen, for Canadian help in a peace-keeping operation. Because of the experience that has now been built up, the request itself will be fairly specific for the Secretary-General and his military advisers will have discussed what Canada might be able to provide with the Canadian Delegation in New York, to which is attached a military adviser. On receiving the request, a joint submission from the Minister of National Defence and myself may be made to Cabinet asking for Government approval to provide the required personnel and equipment for the operation. If Cabinet agrees, the Department of National Defence is responsible for selecting the appropriate personnel and equipment and sending them to the area concerned, while External Affairs is responsible for negotiating conditions of service, making any necessary arrangements with the country or countries to which the service personnel will be posted and providing any diplomatic assistance that may be necessary on the spot through the appropriate mission.

In United Nations peace-keeping operations policy direction is given by the Secretary-General, sometimes assisted, as in the case of the Congo, by an advisory committee representing the contributing powers. Canada is represented on the Congo Advisory Committee by the Canadian Permanent Delegation to the United Nations. In the case of the Indochina Commissions, which do not come under the United Nations, instructions regarding implementation of the cease-fire agreements are sent from External Affairs to the three Canadian Commissioners.

We have always been interested in the evolution of the various ad hoc UN operations into more permanent peace-keeping machinery, but we recognize that this is still some years away. Meanwhile, the best we can do is to be adequately prepared and sufficiently flexible to meet a UN request with the minimum of delay. In international peace-keeping, no two cases are the same, and close co-operation between civilian and military departments is the only answer. What is the same in all cases, however, is the calibre of the Canadian service personnel and the excellent job they do even under extremely difficult circumstances, as is the case in Laos and in Yemen. One of the prime reasons that Canada has been asked time and again to help in these problems is because of the high professional standards and ready adaptability of the members of the Canadian armed services, and I should like to pay my tribute to them. As the Chief of Staff has already told you, they make excellent ambassadors for Canada. Another reason for our frequent selection for this task is that by tacit consent, the great powars usually do not participate and the UN Secretary-General looks to the ranks of the broadly respected middle powers to fulfil this function.

The Commonwealth

To assist newer members of the Commonwealth in establishing a well-trained nucleus from which they can build their armed forces to guarantee their own independence, we have undertaken a certain - 12 -

amount of military training. This training can take place here in Canada or in the Commonwealth country concerned. The most ambitious programme in Canada is the training of Nigerian army, navy and air-force cadets, as well as some technical personnel. Nigeria formally asked Canada for training aid in 1961 and the arrangements under which Canadian aid is provided were formalized in a technical-assistance agreement on military training signed in Lagos this year. Similar training has been given to personnel from Trinidad and Tobago and we expect arrangements to be made in the near future for the training of cadets from Ghana; and I have discussed only recently with representatives of other governments in Africa similar processes for them.

In June 1961, the Canadian Government agreed to a request from Ghana to dispatch a team of approximately 30 officers and men to assist the training of the officer corps and technicians of Ghana's armed forces. This team arrived in late 1961 and now serves at the military academy and training school, the air-force training centre and the air-force flying-training school. The Canadian Armed Forces Training Team is led by a senior Canadian officer who acts both as liaison officer between the Team and the Ghanaian authorities and as military adviser to the Canadian High Commissioner in Accra.

The only equipment assistance that has been given to Commonwealth countries is the aid that has been provided by Canada to India to assist that country in meeting the threat that has developed from China on the northern border. Otherwise, Canadian exports of arms are effected by commercial transactions tightly controlled and licensed to ensure that the arms are not sold to countries in areas where tension exists.

I have dealt at some length with the machinery of cooperation between the Department of External Affairs and Department of National Defence because I want to make clear to the Committee the close interrelationship that has developed and will continue to develop between foreign and defence policy, and to point up how necessary is close co-operation between our military and civilian authorities. A prime example of this interrelationship is the National Defence College. This college was established after World War II to give officers of the Canadian armed services, members of civilian government departments and from time to time representatives from key industries an opportunity to work together in examining global political, military and economic developments. The students at the National Defence College are expected to hold senior positions in later years in government departments and in the armed services, and there is no doubt that the broadening experience they receive at the National Defence College and the chance to work together make them more useful in their future The College has a Commandant drawn from the armed services careers. and a directing staff made up of representatives from National Defence and External Affairs. The Department of External Affairs is responsible for arranging, through the Canadian diplomatic missions abroad, for the National Defence College to pay visits to various parts of the world as part of its course of study.

I should like to add that, this morning, before coming here, I spent some time with the members of the NATO Defence College, who are here in Canada as they have been in other NATO member countries. This organization is predicated somewhat on the experience of our own National Defence College. It similarly hopes to emulate the Imperial Defence College. It is made up of senior officers who come from all of the NATO countries and who are in Canada to learn about Canada, its problems, its foreign and its defence policy.

Before I conclude my statement I wish to say something to the Committee about the concern I have had for some time past about the need to improve the co-ordination and planning of government foreign, economic and defence policy. May I remind you of what I said in another capacity in the House of Commons last January 24:

"One striking fact it seems to me in international affairs today is the interrelatedness of a nation's defence policy, its foreign economic policy and its over-all policy. These three areas, which in the past we have tended to look upon separately, now must be considered all together. Indeed. the continued nature of this interrelatedness has major implications, as I see it, for our own foreign policy, particularly in the area of planning and co-ordinating of our own efforts and our own policies. Perhaps we should be considering some alterations. Do we have over-all planning and co-ordination of effort in the Government at the present time which gives its total attention to a particular problem in external relations and is continually casting its eye up and down the radar screen looking for problems in areas where Canada can exert an influence? The diplomatic influence and effectiveness of a nation is a total process, a composite whole, in which our political conduct, the state of our alliances, the amount of foreign assistance which we give, our military power, our domestic economic situation, operate all together."

The Canadian Government is now committed to a national review of defence policy and to a NATO defence review which will require the direct collaboration between the Departments of External Affairs, Finance and National Defence. My colleagues and I are now examining ways and means of improving inter-departmental. co-operation. Neither foreign policy nor defence policy can remain static in the nuclear age and we must always be searching for improvements to the policies and the ways they are carried out. As I said in January:

"We need to be constantly re-examining our foreign-policy objectives, constantly querying the means by which these objectives are carried out. Let us not exaggerate our achievement, but let us bear in mind that in this difficult period there must be stated goals of foreign policy carefully adhered to, respected by all branches of the Government, the Defence Department as well as the Department of External Affairs." It has not been difficult throughout most of the postwar period to define the main goals of Canadian foreign policy. We have been living under a massive threat from militant Communism in circumstances of Cold War which robbed the United Nations of its ability to perform its main peace-keeping operations under Article 43 of the Charter. Clearly, our first duty has been to help maintain the peace through collective-security arrangements, and this we have done through playing our full part in NATO and NORAD consistent with our resources. It represents our contribution to the deterrent which has successfully kept a precarious peace while time and internal developments in the Communist world could work towards a more stable basis for international relations.

In this same period of dangerous confrontation between major military alliances, we have worked steadfastly to reduce and ultimately to bring under firm control the means for waging annihilating major wars. This we have done through our active participation in New York and in Geneva in the work of successive disarmament conferences, recognizing that there was no ultimate security in an unrestricted arms race and that balanced, phased disarmament was an alternative and less costly route to the same end. Our support for an end of nuclear testing under adequate safeguards and for limitations on the dissemination of nuclear weapons should be seen as respectively qualitative and quantitative controls aimed at reducing war-making capacity.

At the same time, and in this same period, there has been an urgent need to improve the international means of dealing with limited wars and regional disputes, and otherwise developing the means for the peaceful settlement of potentially dangerous conflicts. Here our support for the United Nations both in its mediation functions and in its peace-keeping roles has been the main vehicle for Canadian action.

It has been reasonably obvious up to now that the main emphasis in our foreign and defence policies had to be on practical measures of collective security since it would have been foolhardy indeed to rely excessively on the fragile international experiment in international peace-keeping.

But the nature of the threat is in transition. Under the umbrella of mutual deterrence, the major nations have been groping towards a move civilized relationship. The contest will go on, but its arena will be increasingly in the ideological and trade spheres, with much attention being paid to winning the support of less-developed countries. In our anxiety to make our best contribution to international peace and stability, the West must not overlook the second major force of instability in the world -- the gap between the "have" and "have-not" nations, which unhappily is paralleled also by the division of the world along colour lines. Here the Commonwealth is a major instrument for peace at our ready disposal, and should be cherished and fostered, particularly through technical assistance and aid programmes.

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The new phase on which we may be embarking shortly may offer new opportunities for developing the international peace-keeping machinery envisaged in the Charter to replace efforts in the field which have so far had to be accomplished by ad hoc improvisation. The problem for a country like Canada will be to decide how much of our limited military resources to put into the deterrent forces which will have to be maintained for a long time to come and how much to devote to developing international machinery for the preservation of peace, conscious that such machinery probably represents the character of the future.

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